

# City of Saint Paul 2003 Adopted Budget

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**Prepared by:**

City of Saint Paul - Office of Financial Services  
160 City hall  
Saint Paul, MN 55102-1631  
(651) 266-8800

<http://www.ci.stpaul.mn.us>

*Director of Financial Services: Matt Smith*



Prepared by:

Office of Financial Services  
160 City Hall  
15 West Kellogg Boulevard  
Saint Paul, MN 55102-1631  
(651) 266-8797  
Website: [www.ci.stpaul.mn.us](http://www.ci.stpaul.mn.us)

Matt Smith, Director  
Ron Kline, Chief Budget Analyst  
Peter Butler, Budget Analyst  
Dede Demko, Budget Analyst  
Barb Renshaw, Senior Budget Analyst  
Eric Willems, Senior Budget Analyst

## Description of Saint Paul's Form of Government

The city charter provides for a municipal corporation governed by an elected chief executive, the mayor, and an elected legislative body, the city council. The form of government is commonly referred to as "strong mayor-council." Elections are held in November of odd-numbered years, with a four-year term for the mayor and four-year terms for councilmembers. Each of the seven councilmembers is elected from a separate ward; the seven wards are approximately equal in population.

The mayor recommends appointments for department/office directors and members of boards and commissions for council approval, and is responsible for the direction and control of departments and offices. The mayor recommends policies and budgets to the city council. The mayor exercises all powers and performs all executive duties given by the city charter, city ordinances and state laws. The mayor has the authority to veto council actions. The council can override the mayor's veto with a minimum of five votes.

The council is the legislative body, setting policies by enacting ordinances and resolutions. It can monitor and maintain liaison with community groups to assure adequate citizen participation. The council analyzes, adopts and monitors the city budget. Councilmembers prepare and promote the city's legislative program. They serve on boards and commissions of certain intergovernmental agencies.

### Elected Officials

Office	Name	Term Expires
Mayor	Randy C. Kelly	01-01-2006
Councilmembers:		
District 1	Jerry Blakey	01-01-2004
District 2	Christopher Coleman	01-01-2004
District 3	Patrick Harris	01-01-2004
District 4	Jay Benanav	01-01-2004
District 5	Jim Reiter	01-01-2004
District 6	Daniel Bostrom	01-01-2004
District 7	Kathy Lantry	01-01-2004

### Appointed Officials

Department/Office	Director's Name	Term Expires
Citizen Services	Donald Luna	*
City Attorney	Manuel Cervantes	*
Financial Services	Matt Smiht	*
Fire and Safety Services	Tim Fuller	04-02-2003
Human Rights	Tyrone Terrill	*
Human Resources	Angie Nalezny	*
License Inspec. Env. Protection	Roger Curtis	*
Deputy Mayor	Dennis Flaherty	*
Parks and Recreation	Bob Bierscheid	*
Planning and Econ. Development	Martha Fuller	*
Police	William Finney	07-17-2004
Public Libraries	Gina La Force	Classified Service
Public Works	Bob Sandquist	*
RiverCentre	Bill Huepenbecker	**
Technology and Mgmt Servcs.	Karen Johnson	*
Regional Water Services	Bernie Bullert	Classified Service

\* Serves at pleasure of the Mayor

\*\* Serves at pleasure of RiverCentre Authority

## Introduction

### Information Included

This publication contains information on City of Saint Paul budgets, that is, the operating budgets and debt service budgets. Operating budgets include the general fund and 60 special funds. The capital improvement budget (CIB) is included in a separate document. The Housing and Redevelopment Authority (HRA), Water Utility, RiverCentre, and Port Authority budgets are not included because they are separate entities.

### Purpose

The goal of this report is to provide taxpayers with an easy-to-use guide to city spending. We have tried to answer the question, “Where does the money go?” by providing tables and graphs to display this information. As a staff, we always struggle with what level of detail to show. If we show too little detail, our publications will not answer the questions people most commonly ask. If we show too much detail, the budget documents become extremely large and expensive to print. Pouring through them can be daunting, tedious and time consuming.

We hope that this summary will help make taxpayers aware of where the city’s resources come from and where they go. By looking at the information, we hope they will see how state revenues and decisions on property tax classification affect local property taxes. They will understand better how the property tax base affects property taxes. And they will see how difficult it is for decision makers to make cuts in the budget without including some of the services taxpayers tell us they hold most dear, such as police, fire, libraries and parks. These services are such a large portion of the budget, they are difficult to ignore. We believe heightened taxpayer awareness of city programs will increase the quality of public debates on spending and taxes and, ultimately, the quality of public policy.

### Budgets, Not Spending

Unless otherwise noted, the numbers in this document are *budget* amounts, not actual spending. Actual spending amounts for past years can be found in a publication called the “Comprehensive Annual Financial Report” (see information following).

### Other Publications and Information

The Office of Financial Services (OFS) publishes other documents. Each year we publish this summary document to display the council-adopted budgets. Detailed proposed budget information, at the activity and line item level, is also available. However, to keep printing costs down, it is only available on a limited-distribution basis. OFS also publishes a brochure which contains budget data and demographic information. As time permits, we update a statistical summary with trend information over longer periods of time. These publications are available for viewing in Saint Paul Public Libraries, Government Documents Section, or by calling the Office of Financial Services at 651-266-8797. Our website is [www.ci.stpaul.mn.us](http://www.ci.stpaul.mn.us).

Other publications are listed below. Most of them are also available in Saint Paul Public Libraries. We encourage you to use library copies whenever possible to obtain information, but if you cannot, we have listed publications and contact persons for you.

- “Capital Allocation Policy.”  
Contact Allen Lovejoy at 651-266-6576.
- “Comprehensive Annual Financial Report.”  
Contact George Splichal at 651-266-8819 or Jose Jovellana at 651-266-8820
- “General Obligation Debt Overlapping on the Saint Paul Tax Base: Five Year Debt Management Strategy, 2001-2005.”  
Contact Todd Hurley at 651-266-8837.
- Housing and Redevelopment Authority (HRA) annual budget and the “Comprehensive Annual Financial Report.”  
Contact Tom Meyer at 651-266-6667.
- Port Authority financial statements and the report of independent public accountants.  
Contact Tom Collins at 651-224-5686.

# Mayor's Budget Philosophy and Objectives for City Staff

## Budget Philosophy

My first budget as Mayor has been a challenging and rewarding experience. Our commitment to not increasing the property tax levy for the tenth straight year was a key element of the foundation that was used to build a creative, yet prudent budget for Saint Paul. Throughout the process, I have gained new insight into the hard-working men and women who provide city services to our residents. They are professionals who believe strongly in the need to provide the highest quality city services to the customers they serve.

We have conflicting forces in our city that motivate us to try to be all things to all people. Oftentimes, the harmony necessary to achieve that goal is simply not possible within the limited resources we have available. For example, I do believe that the State of Minnesota, faced with its own budget burdens, will reduce local government aid during the upcoming legislative session. In the face of these reductions, we must continue to hold the line on taxes in order to remain competitive within the region. We must balance this reality with the need to continue to provide quality city services, and make strategic investments in areas that will enhance the vitality and vibrancy of our urban core.

With this in mind, we will seek ways to improve the design and delivery of our parks and recreation services, enhance the marketing and promotion of our city, increase awareness of the rich cultural diversity we have in arts, culture and entertainment and above all, keep our city safe, clean and affordable.

I believe this budget accomplishes those goals and objectives. As stewards of the public trust and public assets, we must constantly confront immediate needs, but always be focused on long-term goals and objectives.

We do add positions in police, fire, code enforcement and citizen service that will respond to the immediate needs. At the same time, other investments will pay dividends in the mid-to-long term that are critical to our city.

Citizens expect, and demand, the creativity from their public officials to provide quality city services, a seamless level of stability from one budget cycle to another, and to know that responsible decisions are being made that will benefit the city for the long run.

These are the strategic investment decisions we make today. Whatever the decision—holding the line on property tax levy increases, investing more funds into public safety and infrastructure, looking for new ways to elevate our city's arts, culture and entertainment assets—we must be strategic.

I recommend the choices contained in this document to the City Council and the community as we move forward toward final adoption of next year's operating, capital and debt budgets.

## Budget Objectives

The following are my State of the City priorities that departments and offices are converting into 2003 budget objectives:

### Fiscal Responsibility

- No increase in property tax levy.
- Reduce costs without sacrificing basic services.
- Retain AAA bond rating.

### Affordable Quality Housing

- 5,000 housing units in the next four years.
- \$20 million from foundations and private sector.

### Keeping our City Safe

- Making our city safe for all people.
- Every housing/property complaint documented and acted upon.
- Inspectors visible and operating out of the field.

### Capital City Education Initiative

- Parents and educators know how schools are performing.
- Increase graduation rates.
- Children read as well or better than contemporaries in Minnesota.

### Accessible Public Spaces

- Great places for our citizens to play.
- Bring more people who live outside Saint Paul into our parks.

### Arts, Culture and Entertainment

- Saint Paul a Mecca for artists.
- Saint Paul is Midwest center for off-Broadway productions.
- More people experience Saint Paul in new and different ways.
- Enhanced neighborhood event marketing and promotional assistance.
- Strengthened partnership with other organizations to market, promote and brand the City of Saint Paul.

### Cultural Relations

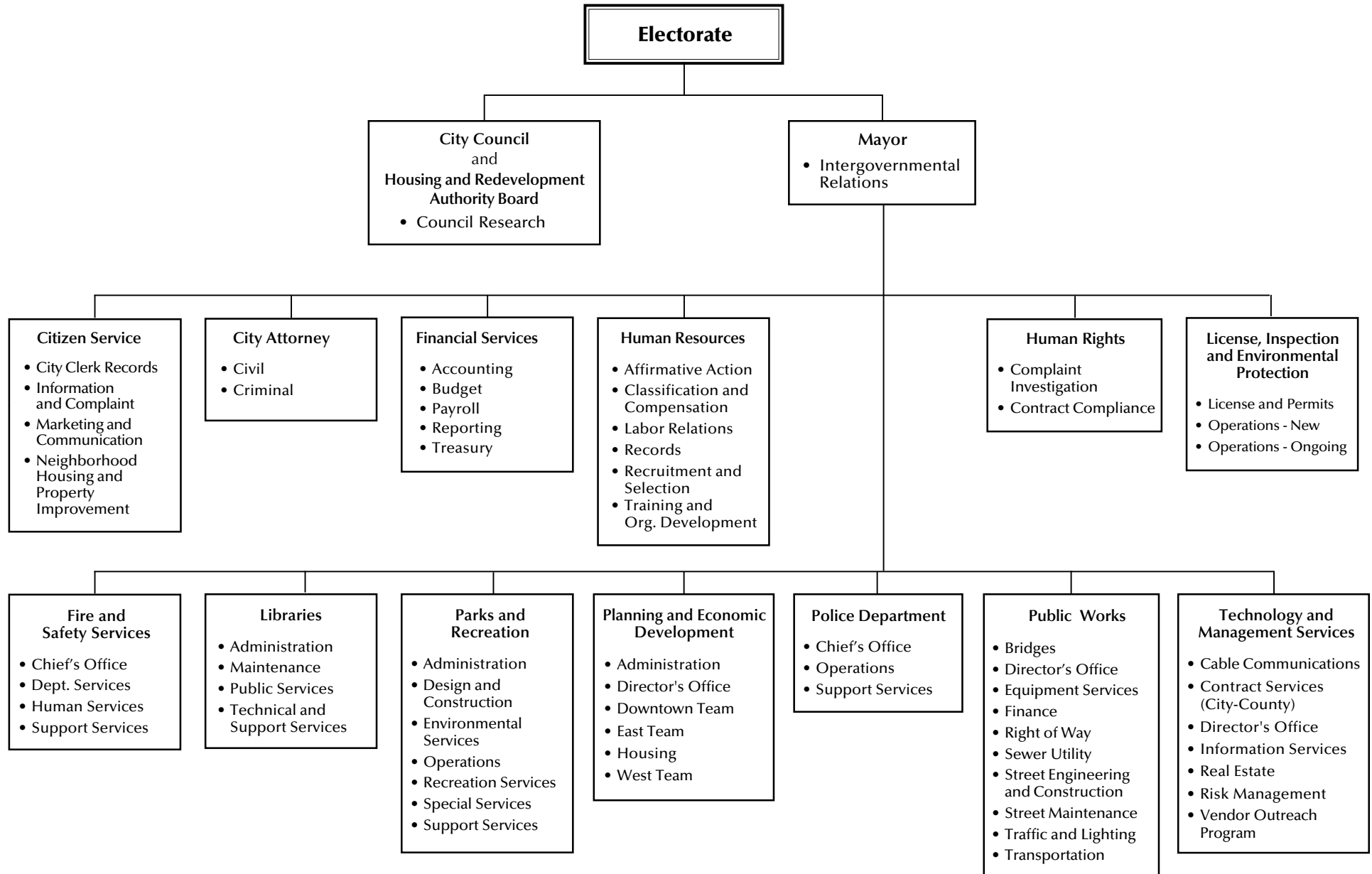
- City workforce that looks like and reflects the community.
- Increase in number of businesses with diverse owners.

### Riverfront Development

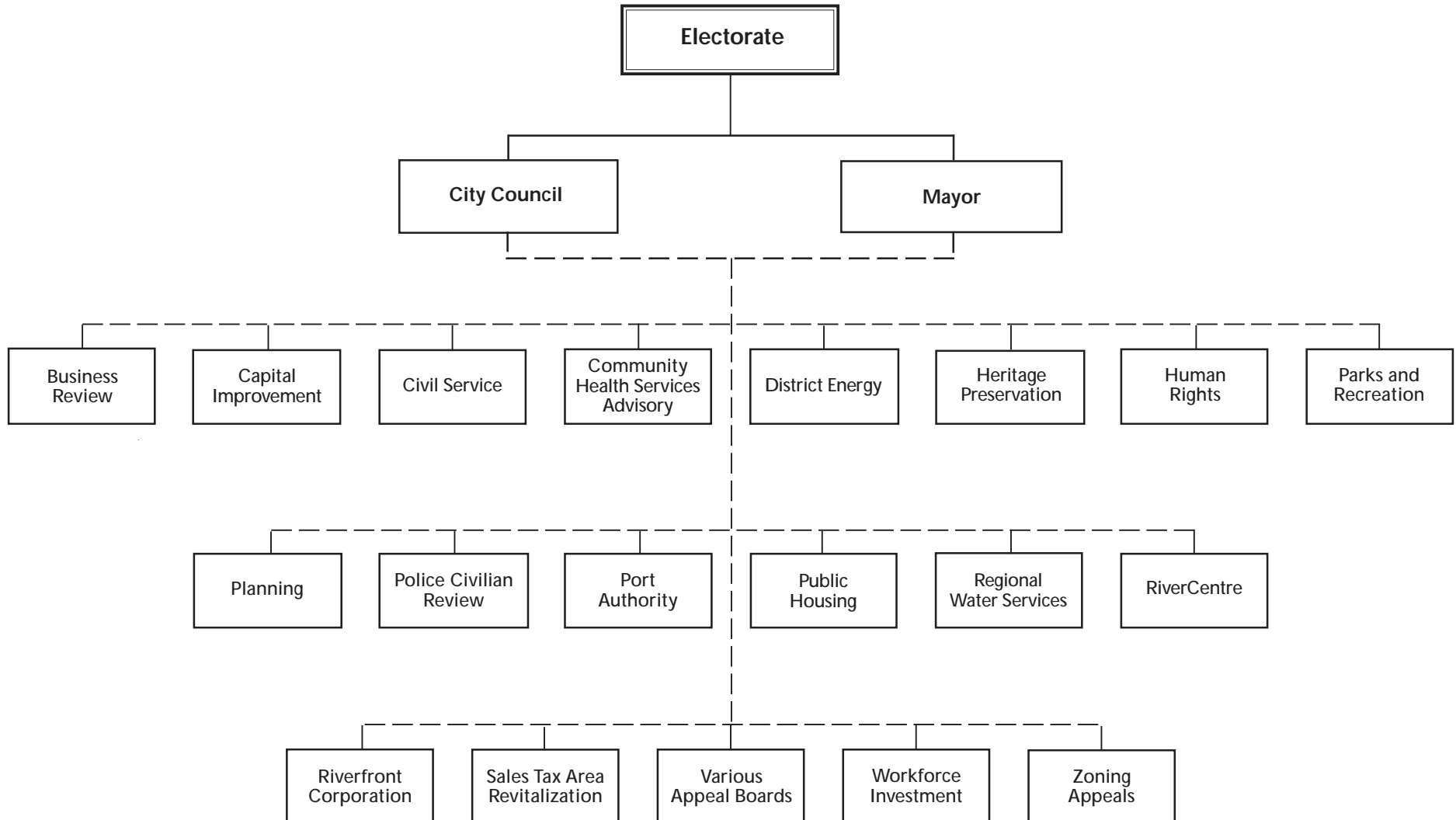
- Bring more people to the river.

# City of Saint Paul, Minnesota

(Strong Mayor, with Seven Councilmembers Elected by Ward)



# City-Appointed Boards and Commissions



## Budget Process

The budget process is designed to conform with state law, the city charter, and the legislative code. The process to develop the budget commences in February.

### January - March

The budget for 2002 is finalized during this time. This includes preparing, printing and distributing books reflecting the 2002 adopted budget. The accounting section of the Office of Financial Services prepares the annual financial report for the previous year (2001). During this time, the “base budget” for the upcoming year (2003) is identified.

### April - June

Forms, instructions, printouts and the mayor’s guidelines are distributed to departments. These tools are used to plan for and develop operating budgets. Department management and staff identify objectives, performance indicators and the resources needed to accomplish goals. Services are reviewed to determine purpose, need and cost-saving ideas.

Department requests are submitted to the Office of Financial Services in June. After that, each department’s budget is analyzed by the OFS budget staff. The mayor meets with the department directors to discuss their needs, and to ensure that budgets meet the service level and taxing objectives that have been established for the city.

### July - September

The budget staff finalizes the mayor’s recommendations and produces the mayor’s proposed budget. The mayor then submits the recommended budget to the city council by August 15, as required by the city charter.

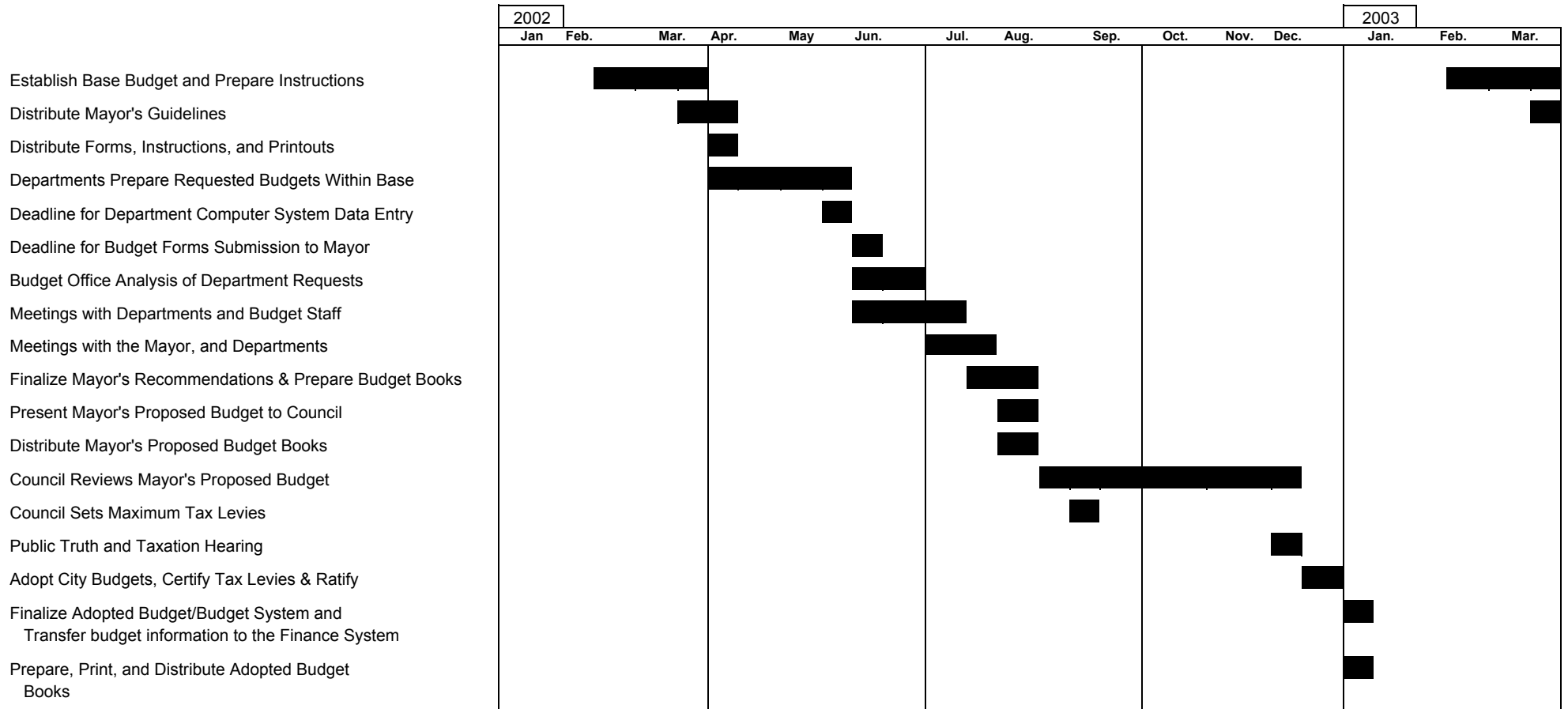
In August, the city council begins reviewing the mayor’s proposed budget. The council holds meetings with department directors, management and staff to obtain a clear understanding of the department’s goals, service priorities and objectives that are represented in the proposed budget. As required by state law, the city council sets the *maximum* property tax levy in September. Governmental units can adjust budgets, resulting in property taxes that are less than, but not more than, the maximum levy.

### October - December

The city council holds public hearings on the budget. Ramsey County mails property tax statements to property owners indicating the *maximum* amount of property taxes that the owner will be required to pay. These statements also indicate when the “Truth in Taxation” public hearings will be held. State law requires the city to hold a joint meeting with the county and school district. This meeting is held in early December. The city council then adopts a budget and tax levy for the city. The adopted budget represents changes made by the city council to the mayor’s proposed budget. The mayor has line-item veto authority over the council-adopted budget.



# CITY OF SAINT PAUL BUDGET CYCLE



## Highlights and Important Features

### 2003 Adopted Budget

The 2003 adopted budget for the City of Saint Paul is \$504,549,145. This is the total of the budgets of all city funds: general fund, special funds, debt service funds and capital improvement funds. This is a 2.1% decrease from the 2002 adopted budget, primarily in the capital improvements budget. The RiverCentre and Water Utility operating and capital budgets, like the HRA budgets, are submitted separately. Therefore, they are not included in this book. If transfers from one fund to another are excluded and the amount budgeted for one half of the 2003 debt payments is excluded, the city budget is \$394,421,674.

#### General Highlights:

**Property Taxes.** The city's adopted tax levy has been held constant, or has been reduced, in each of the last nine years. The adopted 2003 tax levy will continue that trend for a tenth year.

**Service Charges and Fees.** This budget combines the cost of snow plowing and tree trimming along with the costs of street maintenance and alley maintenance in the Right of Way maintenance assessment. There are no increases to sanitary or storm sewer fees, or recycling fees. Various increases are proposed for license and permit fees to cover costs but are capped at a 25% increase.

**Capital Improvement Funding:** \$79,058,000. The adopted 2003 capital improvement budget (CIB) provides funding for all capital projects funded with local, state, federal or other revenues received by the city for this purpose.

#### Significant Department Changes:

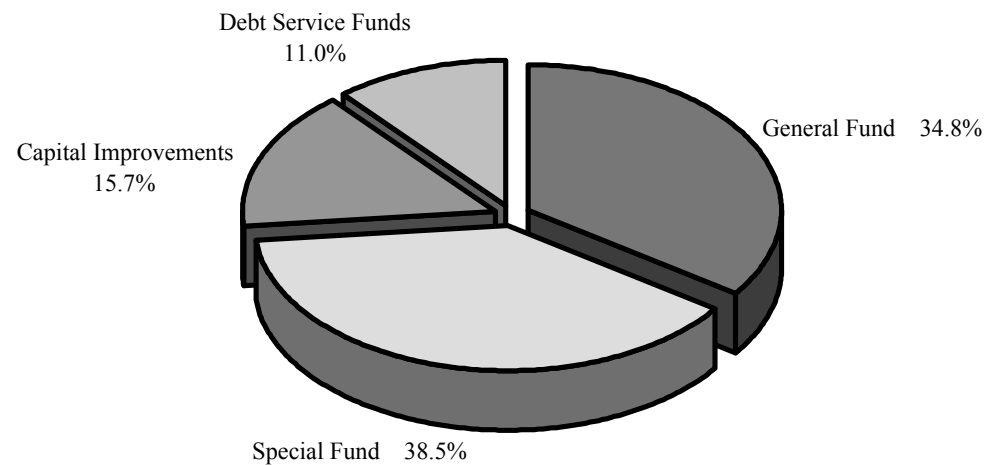
Separate introductions to the general fund, special funds, and general obligation debt service funds sections of this document detail important features of financing and spending within each of those areas. Significant features of the overall budget are highlighted in those sections.

# Composite Summary

## Composite Summary - Total Budget

City of Saint Paul: All Funds			
Composite Plan	2001 Actual Budget	2002 Adopted Budget	2003 Adopted Budget
General Fund (Operating)	170,981,409	175,678,129	175,439,033
Special Fund (Operating)	177,427,907	187,997,647	194,132,137
Capital Improvements	60,732,523	95,513,000	79,058,000
Debt Services Funds	32,441,946	56,094,353	55,919,975
Total Budgets (Unadjusted)	<u>441,583,785</u>	<u>515,283,129</u>	<u>504,549,145</u>
Less Transfers	(57,977,736)	(87,207,757)	(88,088,923)
Less Subsequent Year Debt	<u>0</u>	<u>(22,637,889)</u>	<u>(22,038,548)</u>
Adjusted Financing Plan	<u><u>383,606,049</u></u>	<u><u>405,437,483</u></u>	<u><u>394,421,674</u></u>

## Composite Summary - Total Budget 2003 Adopted Budget



## Composite Summary - Workforce

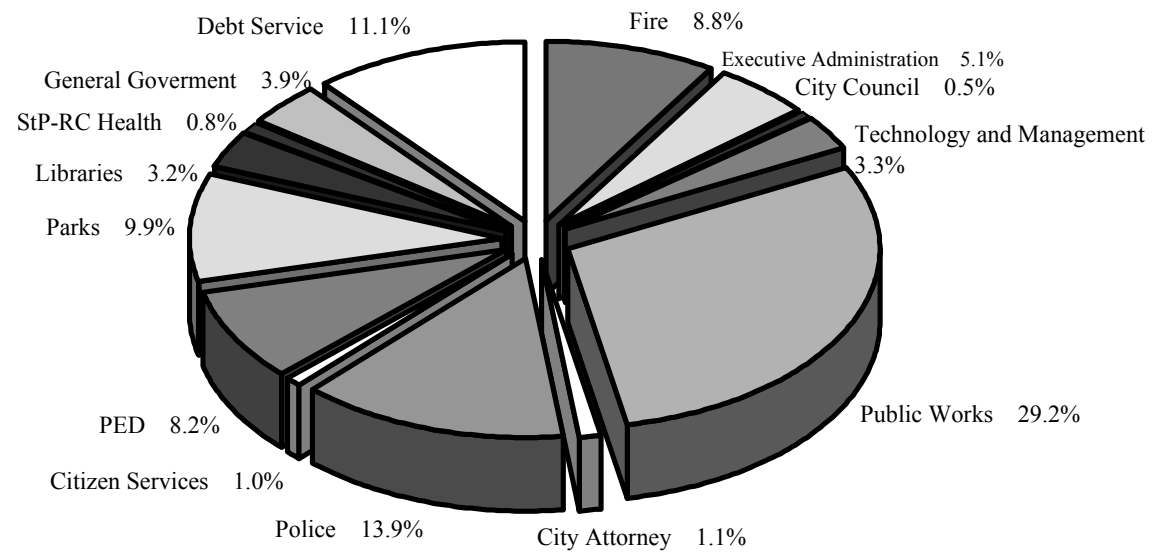
City of Saint Paul: All Funds Full Time Equivalents (FTEs)			
Department	2001 Adopted Budget	2002 Adopted Budget	2003 Adopted Budget
Affirmative Action (1)	3.8	3.8	0.0
Attorney	65.2	65.0	67.5
Citizen Services	46.5	45.5	46.8
Council	29.4	29.4	29.4
Debt Service Fund	2.2	2.5	2.5
Financial Services	28.1	27.7	27.0
Fire and Safety Services	478.0	478.0	476.5
General Government Accounts	1.1	1.1	1.1
StP-RC Health	90.8	90.8	67.2
Human Resources	28.1	25.8	33.1
Human Rights	11.8	12.0	10.5
Labor Relations (1)	5.0	5.0	0.0
Libraries	174.6	179.6	179.1
License, Inspection and Env. Protection	107.7	110.7	114.7
Mayor's Office	15.0	15.0	15.0
Parks and Recreation	493.5	496.8	477.5
Planning and Economic Development	124.2	116.7	109.6
Police	778.9	781.6	780.4
Public Works	435.2	437.7	420.1
Technology and Management Services	<u>115.2</u>	<u>117.7</u>	<u>122.1</u>
Total	<u><u>3,034.3</u></u>	<u><u>3,042.4</u></u>	<u><u>2,980.1</u></u>
Total General Fund	<u><u>1,957.0</u></u>	<u><u>1,981.3</u></u>	<u><u>1,957.8</u></u>
Total Special Fund	<u><u>1,077.3</u></u>	<u><u>1,061.1</u></u>	<u><u>1,022.3</u></u>
(1) Affirmative Action and Labor Relations are part of Human Resources for 2003.			

## Composite Spending - By Department

2003 Council's Adopted Budget (By Department and Fund Type)					
Department	General Fund	Special Funds	Debt Service	Capital Budget	Total All Budgets
Attorney	5,004,436	794,553			5,798,989
Citizen Services	3,899,024	958,572			4,857,596
Council	2,218,107	65,434			2,283,541
Debt Service			55,919,975		55,919,975
Financial Services	1,676,549	8,159,415			9,835,964
Fire and Safety Services	41,143,912	3,060,207			44,204,119
General Government Accounts	7,195,012			12,649,000	19,844,012
StP-RC Health		4,207,390			4,207,390
Human Resources	2,895,086				2,895,086
Human Rights	782,610	47,809			830,419
Libraries	11,548,871	1,241,561		3,297,000	16,087,432
License, Inspection, and Environ. Prot.	1,267,186	9,626,162			10,893,348
Mayor's Office	1,382,816	20,000			1,402,816
Parks and Recreation	22,741,942	15,879,050		11,528,000	50,148,992
Planning and Economic Development	1,233,344	22,406,728		17,450,000	41,090,072
Police	57,873,482	12,254,634			70,128,116
Public Works	6,258,961	107,130,911		34,134,000	147,523,872
Technology & Management Services	8,317,695	8,279,711			16,597,406
Total	175,439,033	194,132,137	55,919,975	79,058,000	504,549,145

## Composite Spending - By Department

2003 Council's Adopted Budget



## Composite Summary - Spending and Financing

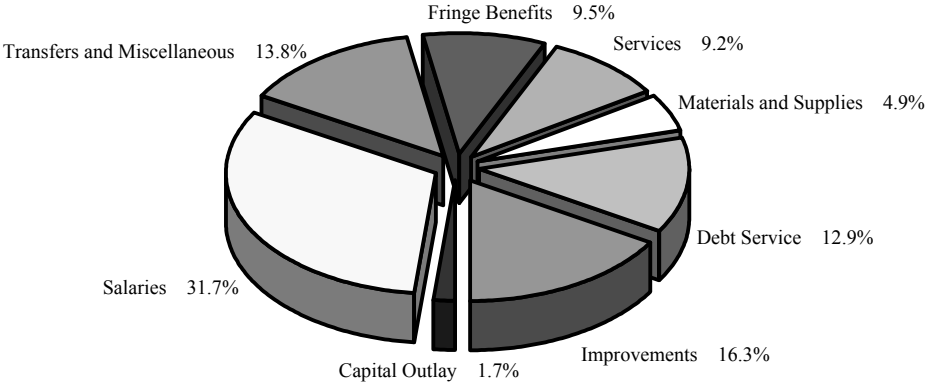
Council's Adopted Spending Summary (2003 Spending by Major Object)					
Object	General Fund	Special Fund	Debt Service	Capital Budget	Total
Salaries	106,357,940	53,196,865	147,606		159,702,411
Services	19,394,174	26,730,598	80,374		46,205,146
Materials and Supplies	9,039,351	15,872,147	6,665		24,918,163
Fringe Benefits	31,395,440	16,605,666	44,165		48,045,271
Transfers and Miscellaneous	7,188,358	62,300,051	280,000		69,768,409
Debt Service		9,627,129	55,361,165		64,988,294
Improvements	5,329	3,146,958		79,058,000	82,210,287
Capital Outlay	2,058,441	6,652,723			8,711,164
TOTAL	175,439,033	194,132,137	55,919,975	79,058,000	504,549,145

Financing Summary (2003 Revenue By Source)					
Source	General Fund	Special Fund	Debt Service	Capital Budget	Total
Use of or (Contribution to) Fund Bala	5,965,198	19,354,382	21,951,148		47,270,728
Transfers	6,855,942	8,687,691	5,294,757	48,993,000	69,831,390
Taxes	43,693,111	1,840,600	18,636,627		64,170,338
Licenses and Permits	912,420	9,555,404			10,467,824
Intergovernmental Revenue	85,865,503	27,455,331	26,710	25,932,000	139,279,544
Fees, Sales and Services	11,602,111	93,094,448			104,696,559
Enterprise and Utility Revenues	17,980,809	9,564,746	858,000		28,403,555
Other Revenue Sources	2,563,939	24,579,535	9,152,733	4,133,000	40,429,207
TOTAL	175,439,033	194,132,137	55,919,975	79,058,000	504,549,145

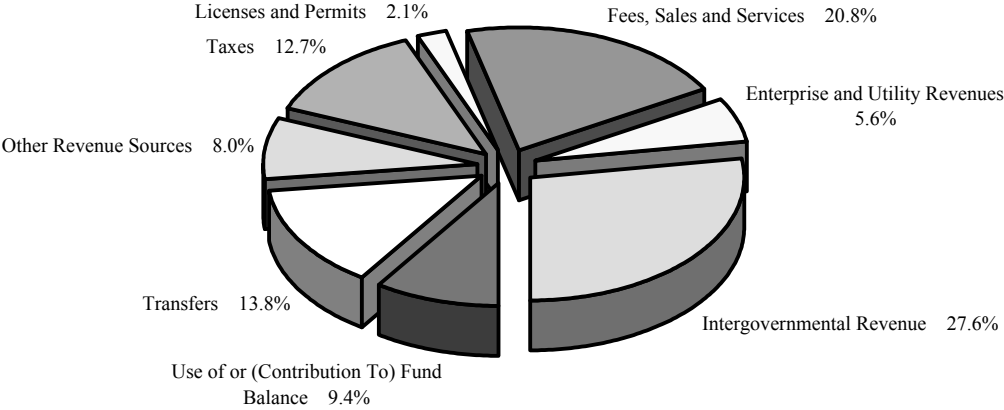


# Summary - Spending and Financing

2003 Spending By Major Object



2003 Revenue By Source





General Fund

## General Fund

### 2003 Adopted Budget

#### **Purpose:**

One of four major budget categories, the general fund is the principal financial support for such basic city services as the police and fire departments, parks and recreation, and libraries. The major financing sources for this fund are property taxes, local government aid, franchise fees, and other revenues not dedicated to a specific purpose. The tables and graphs on the following pages detail the spending and financing plan proposed for this fund in 2003.

#### **Financing Highlights:**

The major financing sources for this fund are:

- Property taxes - 24.3%
- State aids (incl. Local Government Aid) - 46.9%
- Franchise fees - 10.0%
- Other revenues, aids, and user fees - 18.8%

Over the past nine years, the city property tax levy has been kept equal to or less than the levy of the prior year, so other revenues, aids and user fees have financed a slightly larger portion of the general fund budget. In 1994, property taxes contributed to 32.4 percent of the budget and other revenues supplied 12.2 percent. State aids, at about 45 percent and franchise fees at 10 percent, have stayed fairly consistent with respect to their level of general fund financing. Major sources for the growth in other revenues have been interest earnings, fine revenues, paramedic fees, and the use of fund balances.

**Property Tax Relief:** This budget continues the practice of using a planned portion of the fund balance for property tax relief. In 1994, the mayor and city council initiated a tax policy to keep Saint Paul affordable. Property tax revenues for Saint Paul city government have been held constant, or have been reduced, in each of the last nine years. The 2003 levy proposal will continue that trend for a tenth year. Saint Paul property taxes for city government have not been increased since 1993.

**Fund Balance:** Dollars from the fund balance that have been designated for property tax relief again have been applied to finance this budget and avoid an increase to the city's property tax. The planned use of fund balance for the 2003 operating budget decreases from the 2002 level. The amount of fund balance used as financing for the 2003 proposed budget is 3.4 percent of the total budget.

**Certified Local Government Aid (LGA):** Normally, the aid increase of each first class city cannot exceed the increase in the total state LGA appropriation, which for 2003, is 2.5 percent. However, the aid increase relative to 2002 is larger than 2.5 percent for each of the first class cities, including Saint Paul. The reason the aid increase is greater than 2.5 percent is because the Rental Housing Tax Base Replacement Aid (RHTBRA) has been added to cities' LGA base beginning in 2003. Also, for 2002 and beyond, by action of the 2001 State Legislature, HACA aid has been rolled into, and has become a part of Saint Paul's Local Government Aid. The moderate but steady growth of this revenue stream enables Saint Paul to control the growth of property taxes while it maintains a high level of community services. However, caution is advised concerning the city's reliance on local government aid for the 2003 city budget, given the nature of the state's economy, and the State of Minnesota's fiscal issues and budget shortfall. The legislature could reduce 2003 LGA amounts during the next legislative session in order to deal with the state budget shortfall. The estimate used in this city

budget for Local Government Aid financing is based on existing state law. Actions by the governor and the state legislature in early 2003 could easily change the actual amount of state aid the City receives in 2003.

**City Franchise Fees:** The expected financing level will not change in 2003, with the estimate based on 2002 current collections.

**General Fund Interest Earnings:** Interest estimates are projected to decrease slightly from 2002 to 2003 based on assumptions of investment balances and interest rates.

### **Spending Highlights:**

**Rate of Growth:** To keep expenditures and revenues in balance in the general fund, the city will continue to restrict spending in 2002 and 2003. The State of Minnesota general fund spending grew by 1.8 percent from 2001 to 2002 and 6.1 percent from 2002 to 2003. Saint Paul's general fund budget grew by 4.7 percent from 2001 to 2002 and is proposed to decrease by 0.1 percent from 2002 to 2003.

**Wage Increases:** Salaries and benefits are the most significant cost of the city's operating budgets. The base budget was increased for the anticipated growth in 2003 for salaries and fringes related to the bargaining process.

**Citizen Service Office:** Additional resources are allocated to the Office of Neighborhood Housing and Property Improvement to consolidate the function into a neighborhood location, fill two new positions, and improve the office's use of technology to be more proactive. Additional funding for the Marketing and Promotions budget will provide increased support of the neighborhood festivals and provide leadership in marketing Saint Paul. Also included is the transfer of funding to Technology and Management Services to support the replacement of the AMANDA server.

**City Attorney:** To support the mayor's new Neighborhood Housing and Property Improvement office, a criminal attorney was proposed and is included in the adopted budget. In an effort to handle the existing

case workload in the City Attorney's Office, an additional 1.0 FTE attorney was added as well. Additionally, the adopted budget includes funds to cover costs of the attorney performance pay program.

**Fire Department:** The proposed budget maintains 2002 staffing levels into 2003. It reduces dollars associated with an eliminated assistant chief, but adds spending for the new position of emergency management deputy to handle the increasing responsibilities of this important function. Total 2003 paramedic fee financing estimates are increased by \$1.6 million over 2002. This assumes an increase in the transportation charge, from \$823 to \$870, which is the metro average. It also adds new charges for "treat no transport" and vehicle extrication. One million dollars of the department budget change is due to modifying the way the city collects and accounts for paramedic fees. In the past, a billing agency collected the fees, deducted its bill for services, and passed the net revenue to the city. The city will now collect all fees and then pay for the services of a billing agency. This process change does not mean the city will collect any more, or any less, actual net revenue. This increase in the financing amount is offset by an identical increase in spending for the fees to be paid to the billing agency. The budget increases certificate of occupancy fees, which have not been increased since 1995, by \$113,000. Spending is included for a firefighter test, which is expected to be given in 2003. 2003 capital outlay was reduced by \$250,000, due to the fact that two ambulance replacements, and some other equipment, were able to be purchased in 2002, instead of in 2003, by using excess paramedic fee revenue.

**Human Resources:** The proposed budget reflects the merging on the offices of Human Resources, Affirmative Action, and Labor Relations. With the consolidation, funding for positions of some senior management staff, who have retired from or left city employment, have been removed from the budget.

**Human Rights:** The proposed budget reflects the mayor's July 2002 decisions to eliminate the deputy director position and transfer the Vendor Outreach Program to Technology and Management Services. A contract was transferred to the Citizen Opportunity Participation Program.

**Libraries:** The proposed budget provides funding for the opening of the newly remodeled central library. The budget also reflects closing the skyway branch library, which reduces total annual service by 1,950 hours when compared to 2002. But, overall, total annual system hours are still 5,096 hours greater than in 1994. In the Mayor's proposed budget, the general fund contribution match for library materials was continued at \$300,000, the same city amount as in 2002. It was matched by a Friends of the Libraries 2003 contribution of \$100,000, down from \$200,000 in 2002, and earmarked for purchasing library books and materials. Spending (\$45,000) was added for library security services. The city council voted to restore \$100,000 to offset the reduction (of \$100,000) in the Friends' match for library materials.

**License, Inspection, and Environmental Protection:** The proposed budget includes various license and permit fee increases to cover existing costs. The increases were capped at 25%.

**Parks:** New strategies will be employed for the holiday lights programming, maintenance of several general skating rinks, the renovation of the Highland 18 golf course, and the maintenance of the street boulevards. The neighborhoods and the downtown community are requested to continue the current level of support for the holiday light program. Additional support will have to be found for the holiday light program or the program will have to be cut back. Neighborhoods and area booster clubs will be called upon to keep the general skating rinks flooded while Parks staff will continue to provide the initial flooding of the skating rinks. The Rice Arlington Sports Dome debt service will receive additional support from the general fund so that the golf fund's support of the sports dome debt can be freed up to support the renovation the Highland 18 golf course. The street tree boulevard maintenance services have been moved to the special funds as these services will be provided under the new right-of-way program. One-time funding was added to the division budget for the study of the city's aquatic facilities.

**Planning and Economic Development:** The proposed budget reflects the mayor's July 2002 decisions to eliminate the Housing Information Center and to create a new position in PED to work on the March 16, 2002 Summit on Diversity recommendations. This will

improve the city's efforts in helping minority-, female-, and person with disability-owned businesses to establish themselves, do business with the city, and prosper. A contract was transferred to the Citizen Opportunity Participation Program.

**Police Department:** The proposed budget allows for full funding of regular salaries and fringes for 577.6 sworn personnel in 2003. The budget reflects the reduction of three sworn managers related to the mayor's July 2002 budget decisions, the addition of two more officers for the state gang strike force, and some additional grant funding for sergeant hours (0.6 fte). Considering these three changes, the 2003 budget adjusts the level of permanent sworn personnel from 578 in 2002 to 577.6 in 2003. The budget relies on some temporary funding to set the sworn complement to 577.6 FTEs in 2003, by applying one or two year funding from Federal (Internet Crimes Against Children, School Resource grant), and State (Gang Strike Force, Juvenile Accountability) sources. The total department FTEs rose from 731.9 in 1997, to 746.1 in 1998, to 752.4 in 1999, to 775.0 in 2000, to 777.9 in 2001 and to 781.6 in 2002, including the temporary sworn increase. The 2003 proposed budget has 780.4 FTEs. The 2003 budget continues the process of keeping recent increases in police officer strength, done from 1995 through 1997. This is made possible by replacing those lost Federal and State dollars with city general fund financing and other sources. The officers added in 1995 and 1996 are now completely funded through the general fund, and the officers added in 1997 are partially funded through the general fund. By the 2004 budget, the 1997 officers will also be completely funded in the general fund. The increase in the 2003 police general fund budget from the 2002 adopted budget is 2.0 percent, or \$1.14 million.

**Public Works Department:** The department budgets were adjusted for salary and fringe increases not directly charged to the general fund. The adopted budget also includes funding to support staff training needed to provide maintenance and operation of the city fiber optic system.

**Technology and Management Services:** The 2003 budget reflects the removal of 2002's one-time, \$800,000 E-Government spending. The Information Services division's general fund budget is increased by

\$637,000 for ongoing E-Government costs, server leases and network and e-mail licensing and support, and for 3.5 full-time equivalent positions for desktop, database, and website support.

### **Issues:**

**City Tax Base.** The 2001 State legislature made significant changes to the Minnesota property tax system. Foremost was a change moving the general education tax levy from the local property tax to state financing. Changes in class rates and treatment of commercial and industrial properties affect who pays how much property taxes in Saint Paul. Overall, the market values of all classes of property in Saint Paul are showing increases above inflation. Again, the State legislature continued limiting the market value growth of residential property in the entire state. Over 95 percent of the homes in Saint Paul have their market values limited to the state-prescribed 10 percent annual growth. The limitation will phase out over time (through 2007) to mitigate large impacts on residential property.

**State Aid:** State aid is a significant revenue source for the city's general fund. Almost 50 percent of the general fund revenue comes from this source and the annual growth in Local Government Aid (LGA) is a key factor in the city's ability to keep its levy at a zero increase again this year. Yet, the state economy and the State of Minnesota's budget situation indicates the City's level of state aid will likely be reduced from past year levels.

**Fund Balance Reserves:** The growth in fund balance that the city experienced over the past few years may have peaked in 1998. There was a reduction in fund balance in 1999, a moderate growth in 2000, and a slight decline again in 2001. Due to the timing of financial reporting, actual fund balance information is always two years behind the budget plan approved in December. Although the Office of Financial Services has put in place a consistent system for estimating future fund balances, those estimates are based on a number of assumptions that may or may not occur.

For the 2000, 2001, and 2002 budgets, the amounts taken from general fund fund balance to finance the annual budget became larger each

year. Discipline and control is required or, some time in the near future, the city may find itself again faced with the same fiscal problems of the early 1980s and 1990s when the reserves were nearly depleted. To that end, the amount of fund balance applied in the 2003 proposed budget is less than what was planned for use in the 2002 budget. The amount of fund balance used as financing for the 2003 proposed budget has been limited to only 3.4 percent of the total budget.

### **Challenges:**

Discussions at the State legislature about the needs of developed central cities and first-ring suburbs need to be intensified. Funding and expenditures for services should be examined with a regional, rather than municipal or county perspective.

The costs the city bears as an employer (wages, benefits, workers' compensation, etc.) compete for service delivery dollars. The city must continue to find ways to prudently and responsibly manage these costs in order to maintain service delivery levels and maintain the integrity of the city's finances.

Saint Paul has done that. Through a combination of managed spending, prudent use of fund balance reserves and modest growth in other revenues, a property tax increase for city government has been avoided for nine years. The next reform of the property tax system should be done in a way that rewards efforts like those of Saint Paul. Changes in State aid or other proposals aimed at property tax reform must consider the effect they will have on the first class cities to manage the service needs and expectations of their local residents and statewide users of those services.

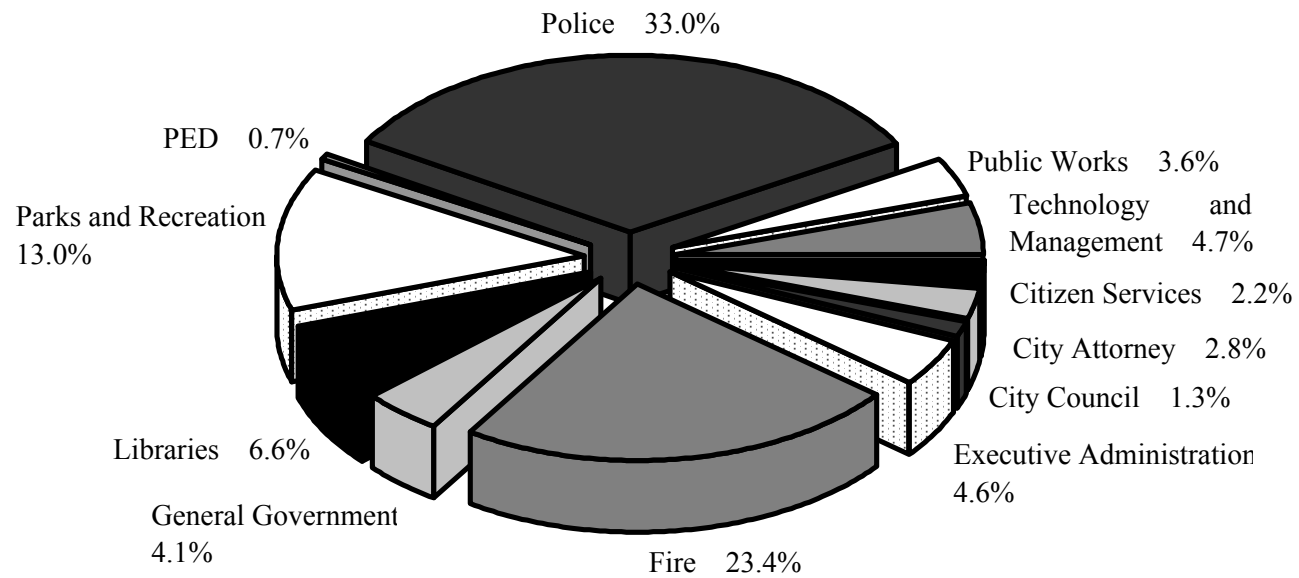
## General Fund Budget

General Fund Spending (By Department)			
Department/Office	2001 Actual	2002 Adopted Budget	2003 Adopted Budget
Affirmative Action	252,128	279,137	0
Attorney	4,465,420	4,663,502	5,004,436
Citizen Services	3,550,362	3,315,637	3,899,024
Council	2,016,334	2,175,054	2,218,107
Financial Services	1,640,642	1,646,873	1,676,549
Fire and Safety Services	37,470,391	38,454,578	41,143,912
General Government Accounts	8,984,461	7,691,674	7,195,012
StP-RC Health	0	0	0
Housing Information	0	0	0
Human Resources	2,149,295	2,195,075	2,895,086
Human Rights	838,383	912,186	782,610
Labor Relations	401,174	427,675	0
Libraries	10,526,113	11,151,280	11,548,871
License, Inspection, and Environmental Protection	1,383,020	1,343,642	1,267,186
Mayor	1,333,532	1,336,044	1,382,816
Parks and Recreation	24,052,256	23,706,260	22,741,942
Planning and Economic Development	1,318,151	1,152,435	1,233,344
Police	54,044,836	56,730,700	57,873,482
Public Works	9,856,624	10,228,318	6,258,961
Technology and Management Services	7,082,689	8,268,059	8,317,695
Total	171,365,811	175,678,129	175,439,033



# General Fund Budget

## 2003 Spending by Department



## General Fund Budget

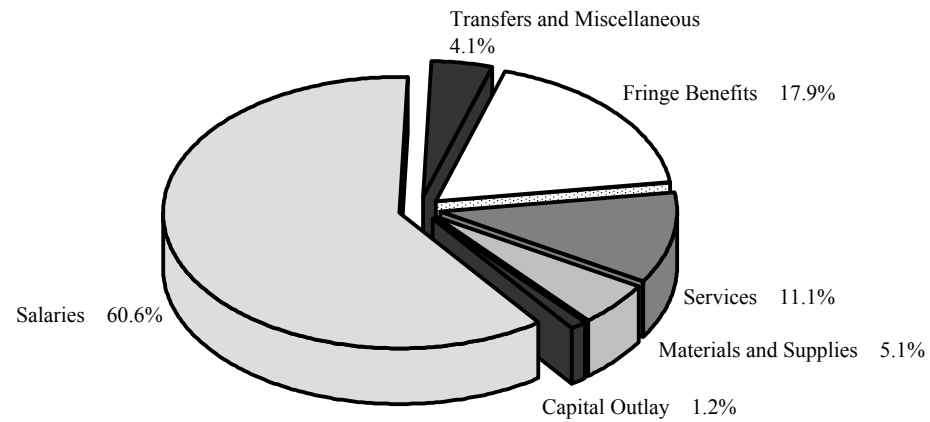
General Fund Spending (By Major Object)			
Object	2001 Actual	2002 Adopted Budget	2003 Adopted Budget
Salaries	99,070,894	103,851,824	106,357,940
Services	18,823,258	19,195,215	19,394,174
Materials and Supplies	10,466,614	8,887,938	9,039,351
Fringe Benefits	27,244,690	29,858,054	31,395,440
Transfers and Miscellaneous	11,218,851	11,614,551	7,188,358
Debt Service	2,012,963		
Street, Sewer, Bridge Improvement	0		5,329
Capital Outlay	<u>2,528,541</u>	<u>2,270,547</u>	<u>2,058,441</u>
Total	171,365,811	175,678,129	175,439,033

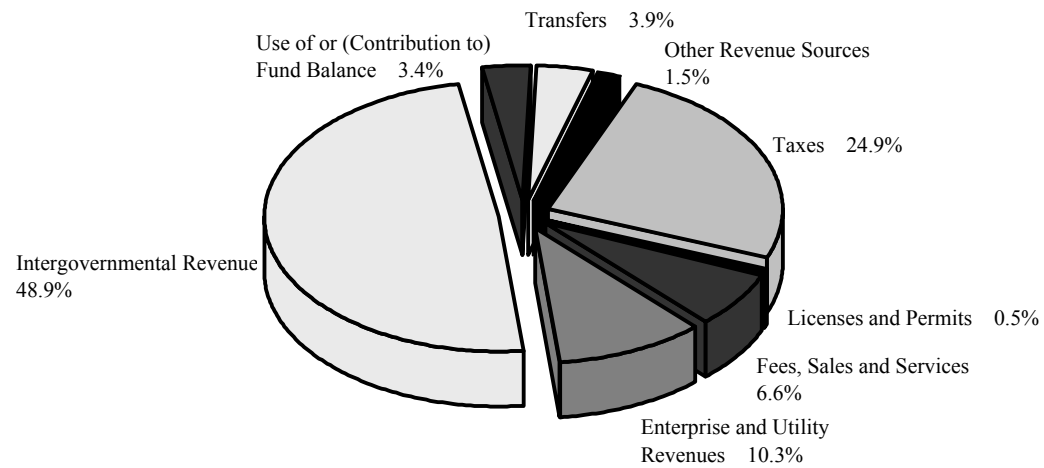
General Fund Financing (Revenue By Source)			
Source	2001 Actual	2002 Adopted Budget	2003 Adopted Budget
Use of or (Contribution to) Fund Balance	0	10,389,150	5,965,198
Transfers	6,394,120	6,535,846	6,855,942
Taxes	44,450,082	43,841,480	43,693,111
Licenses and Permits	830,452	830,159	912,420
Intergovernmental Revenue	82,281,292	83,633,167	85,865,503
Fees, Sales and Services	9,997,805	9,238,239	11,602,111
Enterprise and Utility Revenues	16,842,474	17,968,609	17,980,809
Other Revenue Sources	<u>8,753,924</u>	<u>3,241,479</u>	<u>2,563,939</u>
Total	169,550,149	175,678,129	175,439,033

# General Fund Budget

2003 Spending By Major Object



2003 Revenue By Source



## General Fund Budget

General Fund Balances (Revenues & Sources and Expenditures & Uses of Funds)					
	1999 Actual	2000 Actual	2001 Actual	2002 Adopted Budget	2003 Adopted Budget
Beginning Balances	49,393,354	43,225,277	45,598,034	43,723,326	33,334,232
Revenues and Sources					
Transfers In	5,932,936	6,253,893	6,394,120	6,535,846	6,855,942
Property Taxes	44,158,262	43,728,131	43,223,400	42,757,224	42,700,851
Other Taxes	793,710	1,224,407	1,226,682	1,084,256	992,260
Licenses and Permits	761,291	824,253	830,452	830,159	912,420
Intergovernmenta	78,341,653	79,359,462	82,281,292	83,633,167	85,865,503
Fees, Sales and Services	9,303,951	9,107,707	9,997,805	9,238,239	11,602,111
Franchise Fees	15,441,543	16,303,980	16,842,474	17,516,184	17,516,184
Interest Earned:					
On Investments	4,634,960	3,959,219	4,591,495	2,916,274	2,600,000
On Securities Lending Transactions - (a)	9,265,127	8,801,847	2,116,420	75,000	75,000
Inc (Dec) in Fair Market Value of Investment	(3,776,116)	2,613,431	1,303,250		
Miscellaneous	725,086	657,456	742,759	702,630	353,564
Total	165,582,403	172,833,786	169,550,149	165,288,979	169,473,835
Expenditures and Uses (b)					
Attorney	3,791,414	4,022,978	4,465,420	4,663,502	5,004,436
Citizen Services	3,057,644	3,001,553	3,550,362	3,315,637	3,899,024
Council	1,945,675	1,998,241	2,016,334	2,175,054	2,218,107
Fire and Safety Services	35,452,496	35,666,116	37,470,391	38,454,578	41,143,912
General Government Accounts - Miscellaneous	15,062,710	15,065,026	8,984,461	7,691,674	7,195,012
Health	0	0	0	0	0
Libraries	9,836,874	10,163,541	10,526,113	11,151,280	11,548,871
Executive Administration - (c)	7,946,837	7,671,422	7,998,174	8,140,632	8,004,247
Parks & Recreation	21,490,397	23,000,202	24,052,256	23,706,260	22,741,942
Planning and Economic Developmen	5,904,727	2,127,786	1,318,151	1,152,435	1,233,344
Police	49,853,726	51,350,931	54,044,836	56,730,700	57,873,482
Public Works	9,399,817	9,616,837	9,856,624	10,228,318	6,258,961
Technology and Management Services - (d)	8,014,190	6,776,879	7,082,689	8,268,003	8,317,639
Fringe Benefits - (e)	0	0	0	0	0
Interest on Securities Lending Transactions - (a)	0	0	0	0	0
Total (d)	171,756,507	170,461,512	171,365,811	175,678,073	175,438,977
Ending Balance					
Reserved	6,387,976	5,535,984	5,533,669	5,750,000	5,900,000
Designated	35,623,982	38,057,799	37,987,718	27,450,000	21,750,000
Undesignated	1,213,319	2,004,251	201,939	134,232	(280,910)
Total (f)	43,225,277	45,598,034	43,723,326	33,334,232	27,369,090

- a) The 2003 adopted financing and spending budgets for Securities Lending Transactions will be amended when the actual amounts are known and available.
- b) For 1999 - 2003, no adjustments have been made to the historic expenditures and uses data to reflect any movement of organizational units among and between departments.
- c) Executive Administration includes: Affirmative Action, Financial Services, Housing Information, Human Resources, Human Rights, Labor Relations, License Inspector and Environmental Protection, and Mayor's Office.
- d) The 2002 and 2003 Budget columns on this page do not include "Advances to Other Funds" and "Petty Cash Advances". For 2003, these advances, \$56, can be added to the total expenditures and uses shown here, \$181,024,988, to reconcile to the Proposed Budget, \$181,025,044.
- e) Prior to 1996, fringe benefits were recorded centrally, and after that they were recorded as amounts in the department.
- f) Based on the 1999 - 2001 experience, the actual ending total balance for 2002 - 2003 will be greater than the listed budget ending total balance.

# Special Funds



## Special Funds

### 2003 Adopted Budget

#### Highlights:

There are 59 special funds for the city, totaling \$194,132,137. The total does not include the special funds for the Regional Water Services or the RiverCentre, which are submitted as separate budgets. Special funds 2003 budgets increased by \$6.1 million compared to the 2002 adopted budget. Significant changes are indicated as follows:

City Attorney Outside Services (Fund #025): The budget recognizes Local Law Enforcement Block Grant funding transferred from the Police Department to support a .5 FTE victim witness advocate. Fund balance will be used to replace the existing computer file server at an estimated cost of \$17,800.

Community Development Block Grant (Fund #100): The entitlement for the next cycle has been certified to the city. The community development block grant fund increases \$778,000 over 2002 due to increased program income. The budget will be reviewed later in 2003 and submitted to the city council for final adoption.

Parking and Transit (Fund #130): To meet Governmental Accounting Standards Board requirements, the HRA parking ramp revenues are now recorded in a new HRA fund rather than the city's parking and transit fund. This change ensures that parking ramp assets, debt service, and revenues are recorded in the same fund. The remainder of the parking and transit fund (parking meter and fine revenues) has been transferred to a new fund in the Public Works Department, which is responsible for collecting and accounting for meter revenues, and maintaining the meters.

Cable Communications (Fund #166): Cable franchise fees are projected to decrease in 2003 for the first time in the 17-year history of the cable franchise. This decrease is due to fewer subscribers and the company policy that it will not pay franchise fees on cable modem service. In addition, the annual I-Net grant has expired and

the city will no longer receive this revenue from the cable company. The combined effect of these changes is an estimated \$300,000 revenue reduction in 2003. Despite these reductions, the cable contribution to the general fund remained steady at the 2002 level of \$863,000. The mayor proposes using \$438,000 of cable fund balance as one-time financing for general fund spending.

Engineering (Fund #205): This fund accounts for the design, survey, construction and administrative functions, and other expenditures for capital improvement projects. In 2003, this fund realizes the completion of succession planning and reflects a decrease in FTEs. The budget includes funding for surveying equipment and a federal lobbyist.

Parking Meter Collection and Fines (Fund #230): The responsibility of collecting and accounting for meter revenues has been transferred to Public Works. Formerly, the revenue collection was recorded in fund 130, and included revenue from parking ramps as well. A reduction of \$133,000 in parking meter collection revenue is projected for 2003 although an increase in the parking meter fine charges will help offset this reduction.

Street Repair and Cleaning (Fund #225): The right-of-way fund (#235) was eliminated and is now included in this fund. It adds approximately \$2 million spending to the fund. A right-of-way assessment program has been established in this fund which includes winter snow plowing and tree maintenance in addition to the summer maintenance that existed previously.

Traffic, Signal, and Lighting (Fund #240): This fund reflects a decrease in spending as a result of shifting parking meter maintenance costs to the new parking meter collection and fines (fund 230). Additional funding has been included for the purchase of a center line roadway strip.

Sewer Service Enterprise (Fund #260): Almost three-fourths of the spending for this fund is determined by the Metropolitan Council Environmental Services (MCES) charges and debt service for construction programs under federal and state mandates. The program of long-term financing for residential upgrade of sanitary sewer connections continues for 2003. This fund includes a \$2 million increase for storm sewer outfall repair, .5 million for the removal of sediment from ponds, and a \$1.9 million partial repayment of water pollution abatement bonds financed by the general obligation debt service fund in the 1970s and 1980s.

Public Health (Funds #304 and #305): The Public Health unit has merged with Ramsey county. The 2003 city budget for public health includes only salaries and fringes for the remaining city employees. Revenues from Ramsey county reimburse the city salary and fringe costs. Public health spending in these two funds is reduced by \$695,737. The budgets were not adjusted for the 2002 budget to show employees who left or retired, so the decrease reflects more than one year.

Parks and Recreation Special Services Enterprise Fund (Fund #325): The budget for this fund has decreased to recognize the closing of the Highland 18 golf course. The Highland 18 golf course is being closed in order that the ground water problems on the property can be resolved, a new driving range can be constructed, and a renovated golf course can be built. The citywide special events program was transferred to Citizen Services' marketing and promotions to create a central marketing function and strongly position the city's leadership in promoting Saint Paul.

Rice-Arlington Sports Dome (Fund #326): The budget has been reduced in half compared to the 2002 budget. This is the result of closing the sports dome which limits the facility's ability to generate revenues for recreational programming. The batting cage operations have been moved to Fund 394 Municipal Athletic Associations which leaves only the budget authority for debt service of the sports dome remaining in this fund. The sports dome was closed in June of 2002.

License and Permit Special Fund (Fund #320): The budget includes a transfer-out of \$60,390 for AMANDA software system support, server and license costs as well as funding for a .5 FTE to provide additional desktop support. The budget also reflects the addition of funding for a historic preservation specialist FTE. An elevator inspector was added, which will provide the office with a smooth transition for an anticipated retirement. The adopted budget also includes various license and permit fee increases in an effort to cover service costs. License and fee increases were capped at 25%.

Library Aids and Grants (Fund #350): The budget includes a \$400,000 transfer from the general fund which is matched by \$100,000 from the Friends of the Libraries. This is to support spending for library materials. The general fund match is \$100,000 greater than in the 2002 budget, and reflects a change in the contribution ratio between the general fund and the Friends.

Municipal Athletics Associations (Fund #394): The batting cage operations from the Rice & Arlington sports dome has been added to this fund as the dome has been closed and the batting cage operations fit with this fund's sport related programming.

Police Services (Fund #400): This fund was created to track the receipt and use of the Police PERA pension assets returned to the city under 1999 State legislation. The 2003 budget reflects year four of a ten-year plan. Costs associated with direct police services, including the compensation for some portion of 16 police officers, are planned for in the 2003 budget. Dollars for police overtime, which were not included in the original plan, have been added to the budget.

Police Impounding Lot (Fund #435): This fund tracks the fiscal experience related to the towing and reclaiming of all towed or abandoned vehicles left on city streets. Some vehicles are sold at auction and some are reclaimed by their owners once the owner pays the appropriate fine. The budget plan for this operation was increased for 2003 because some additional land became available adjacent to the Impound Lot site and enforcement operations can be expanded.



Police Special Projects (Fund #436): This fund increased by about \$900,000 from 2002, mostly due to the timing and ending of the many grants the Police Department receives. The Federal Local Law Enforcement Block Grant (LLEBG) is expected to continue for another cycle into 2003. Some grants have been rolled over from 2002 into the 2003 budget.

Firefighting Equipment Trust (Fund #535): The 2003 budget increased by \$143,685 to cover the cost of purchasing a ladder truck. The department's equipment replacement plan shows the replacement of one of these major pieces of equipment every other year.

PIR Operating (Fund #802): \$200,000 was added to support spending for a Real Estate Assessment System.

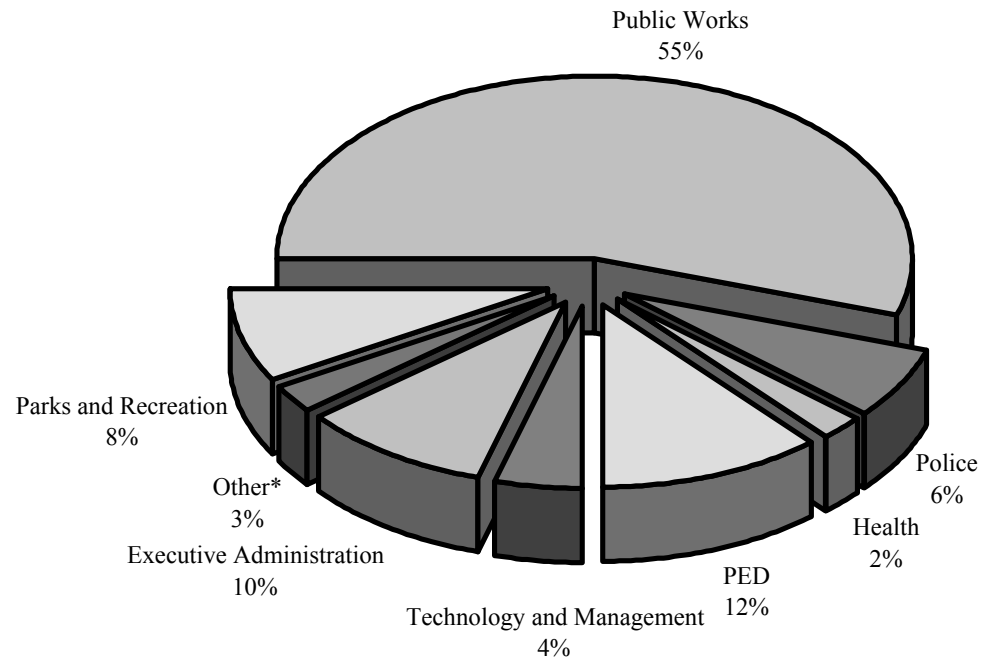
## Special Fund Budgets

Special Fund Spending (By Department)			
Department	2001 Actual	2002 Adopted Budget	2003 Adopted Budget
Attorney	753,317	805,273	794,553
Citizen Services	474,919	770,778	958,572
Council	124,259	88,897	65,434
Financial Services Office	14,449,341	7,987,932	8,159,415
Fire and Safety Services	2,435,800	2,961,989	3,060,207
StP-RC Health	4,141,384	4,903,127	4,207,390
Human Rights	68,388	70,922	47,809
Libraries	1,014,914	1,257,524	1,241,561
License, Inspection, and Environmental Protection	8,573,812	9,166,848	9,626,162
Mayor's Office	12,896	20,000	20,000
Parks and Recreation	13,003,685	14,608,931	15,879,050
Planning and Economic Development	33,715,294	28,683,427	22,406,728
Police	9,976,295	11,321,675	12,254,634
Public Works	81,235,067	98,053,049	107,130,911
Technology and Management Services	<u>7,448,536</u>	<u>7,297,275</u>	<u>8,279,711</u>
Total	177,427,907	187,997,647	194,132,137

Special fund budgets are designed to track revenues and expenditures for specific designated purposes. With some exceptions, special fund budgets are not supported by property taxes. Rather, special fund spending is supported by user fees, assessments, and grants, which are generally restricted in some way. The restrictions require accounting in separate funds. Saint Paul has 59 special funds, including operating funds, project funds, debt service funds, and trust funds.

# Special Fund Budgets

2003 Council's Adopted Budget



\* Other includes City Attorney, City Council, Fire and Library

## Special Fund Budgets

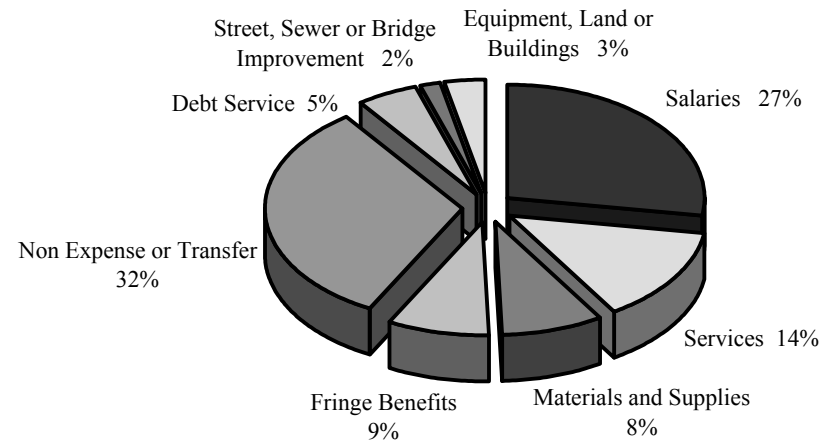
Special Fund Spending (By Major Object)			
Object	2001 Actual	2002 Adopted Budget	2003 Adopted Budget
Salaries	45,108,860	52,103,091	53,196,865
Services	23,000,985	25,948,079	26,730,598
Materials and Supplies	13,829,197	16,329,239	15,872,147
Fringe Benefits	13,738,586	16,580,976	16,605,666
Transfers and Miscellaneous	64,385,708	59,837,893	62,300,051
Debt Service	9,720,022	9,303,573	9,627,129
Street, Sewer or Bridge Improvement	1,945,488	2,386,674	3,146,958
Capital Outlay	5,699,061	5,508,122	6,652,723
Total	177,427,907	187,997,647	194,132,137

Special Fund Financing (Revenue By Source)			
Source	2001 Actual	2002 Adopted Budget	2003 Adopted Budget
Use of or (Contribution to) Fund Balance	0	10,636,656	19,354,382
Transfers	19,733,044	18,461,987	8,687,691
Hotel and Motel Taxes	1,622,576	1,820,911	1,840,600
License and Permits	7,753,227	8,946,977	9,555,404
Intergovernmental Revenue	22,667,794	27,817,703	27,455,331
Fees, Sales and Services	83,200,659	83,445,892	93,094,448
Enterprise and Franchise Revenue	12,926,297	14,713,281	9,564,746
Assessments and Other Revenue Sources	23,175,548	22,154,240	24,579,535
Total	171,079,145	187,997,647	194,132,137

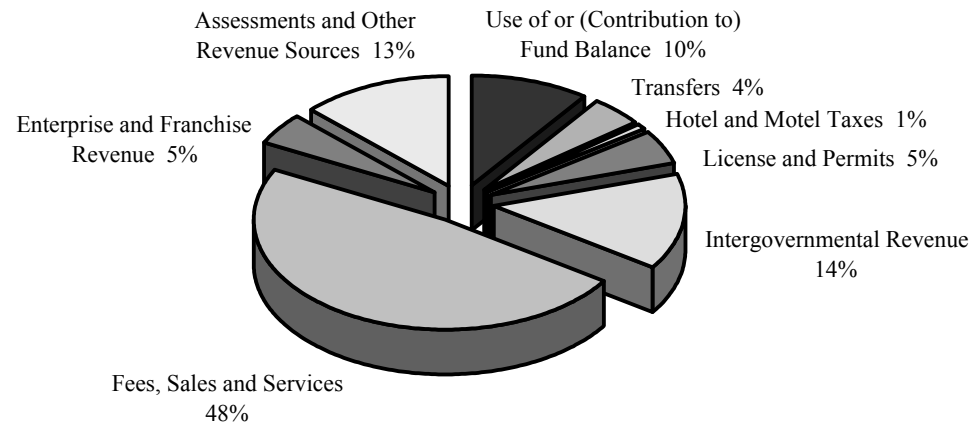
The difference between 2001 spending and financing may be due to use of/contribution to fund balance or accounting reporting requirements. The city is required to report actual annual operating performance in accordance with financial accounting principles. Accounting treatments can cause differences between budget and actual. The following are examples of items that may be treated differently, particularly for proprietary funds: capital project construction, equipment purchases, depreciation and principal payments on debt. Furthermore, the “financing” used to support specific spending or programs may be cash reserves or contributions and not actual revenues of that year.

## Special Fund Budgets

2003 Spending By Major Object



2003 Revenue By Source





Debt Service

## General Obligation Debt Service Funds Budget

Debt Service Fund Spending (By Major Object)			
Object	2001 Actual Budget	2002 Adopted Budget	2003 Adopted Budget
Salaries	122,862	138,918	147,606
Services	1,845	76,767	80,374
Fringe Benefits	36,275	41,699	44,165
Other	293,651	316,665	286,665
Debt Service	31,987,313	55,520,304	55,361,165
Equipment, Land, and Buildings	<u>0</u>	<u>0</u>	<u>0</u>
Total	32,441,946	56,094,353	55,919,975

Debt Service Fund Financing (Revenue By Source)			
Source	2001 Actual Budget	2002 Adopted Budget	2003 Adopted Budget
Use of (Contribution to) Fund Balance	0	21,875,900	21,951,148
Transfers	4,061,719	4,363,911	5,294,757
Taxes	18,659,720	18,579,127	18,636,627
Licenses and Permits	0	0	0
Intergovernmental Revenue	1,868	408,948	26,710
Fees, Sales and Services	10	0	0
Enterprise and Utility Revenue	983,446	858,000	858,000
Other Revenue Sources	<u>12,780,280</u>	<u>10,008,467</u>	<u>9,152,733</u>
Total	36,487,043	56,094,353	55,919,975

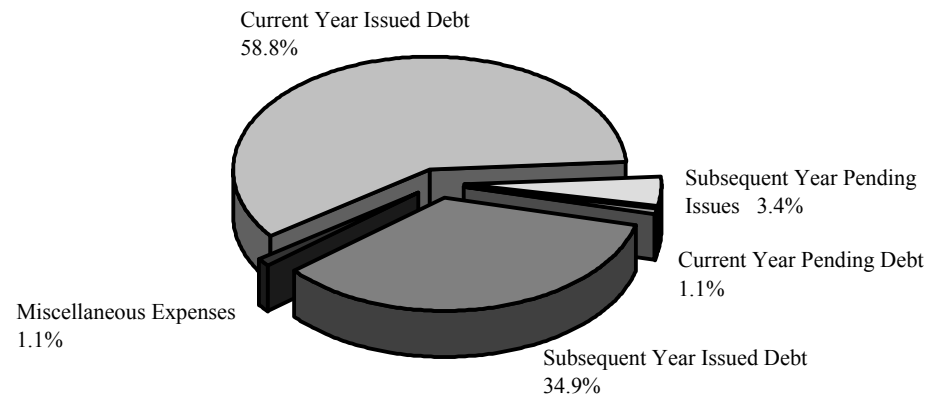
The city's general debt service budget provides for the principal and interest payments on its general obligation bond issues. The budget consists of two sets of two appropriations: 1) an amount needed to meet the budget year debt service obligations, and 2) an amount needed to meet the obligations of the first half of the following year. Therefore, the amount appropriated for general debt service exceeds the amount actually spent in the budget year. This additional amount remains in fund balance to use as a financing source for the subsequent year's debt service payments. While complicated, this budget structure solves a cash flow problem for the city. The city receives state aids and property taxes mid-year and at the end of the year. If the city did not budget for subsequent year debt service payments, it would lack the cash to make the debt service payments due before the city receives its major cash infusions each year.

The total 2003 debt service budgets are \$55,919,975. \$33,986,427 is 2003 spending, and \$21,933,548 is 2004 (subsequent year) spending.

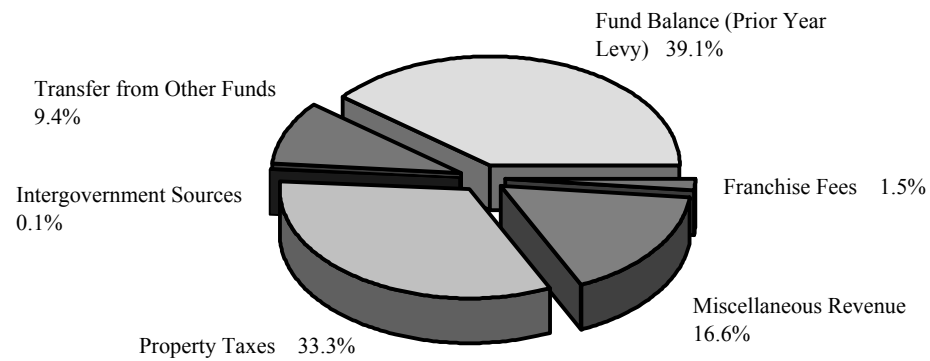


## General Obligation Debt Service Funds

2003 Spending by Major Category



2003 Financing by Major Source



## General Obligation Debt

Allocation Of Debt Support as of December 31, 2002								
	Property Tax Levy	Water and Sewer Charges	Assessments	Tax Increments	Parking Revenue	Other Sources	Self Supporting Total	Total
Capital Improvements	96,785,000					4,465,000	4,465,000	101,250,000
Urban Renewal	570,000							570,000
Urban Renewal Refunding	300,000							300,000
Street Improvements			21,370,000				21,370,000	21,370,000
Tax Increment:								
Riverfront Development				10,185,000			10,185,000	10,185,000
Midway Marketplace				5,660,000			5,660,000	5,660,000
Block 39 Project				17,890,000	21,255,000		39,145,000	39,145,000
Water Pollution Abatement		2,765,000					2,765,000	2,765,000
Sewer Bonds		4,045,000					4,045,000	4,045,000
Sewer Loan (PFA*)		18,391,221					18,391,221	18,391,221
Water Loan (PFA*)		3,327,399					3,327,399	3,327,399
TOTAL	97,655,000	28,528,620	21,370,000	33,735,000	21,255,000	4,465,000	109,353,620	207,008,620
Percent of Total	47.2%	13.8%	10.3%	16.3%	10.3%	2.2%	52.8%	100.0%

\* PFA is the Public Facilities Authority.

# General Obligation Debt Service

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## **Mission Statement**

To prepare financing plans and pay the annual principal and interest on the city's general obligation debt.

## Strategic Plan Accomplishments and 2003 Priorities

### Major Accomplishments

- Standard and Poor's reaffirmed the city's highest possible AAA credit rating in 2002.
- The city sold its general obligation capital improvement bonds, \$19 million, with a record low 3.71% interest.
- Published "General Obligation Debt Overlapping on the Saint Paul Tax Base 2001." The publication is a joint effort of the City of Saint Paul, the Saint Paul Public Schools, the Saint Paul Port Authority, and Ramsey County, who work together to coordinate general obligation financing of the area's capital needs, keep such financing within agreed upon debt level targets, jointly plan for meeting the capital needs of each jurisdiction, and monitor associated impacts on property taxes in Saint Paul.

### 2003 Priorities

Using a creative and responsible fiscal approach, the mayor has the following key goals for 2003:

- Maintain or improve the Aa2 (Moody's) and AAA (Standard and Poor's) ratings assigned to the city's general obligation debt. Strengthen the organizational understanding of the best uses of the general obligation bonding authority.
- Provide Alternate Financing: Provide recommendations for the alternative financing plans for both current and future bond issues. Alternatives to the use of tax levy as financing for the general obligation debt of the city will continue to be explored and recommended where prudent. Continue to review proposals in search for the solutions that serve the city in the long-term, ever mindful of the short-term needs.

## General Obligation Debt Service

DEPARTMENT/OFFICE DIRECTOR: MATT SMITH

	2000 2ND PRIOR EXP & ENC *	2001 LAST YEAR EXP & ENC *	2002 ADOPTED BUDGET	2003 MAYOR'S PROPOSED	2003 COUNCIL ADOPTED	ADOPTED CHANGE FROM MAYOR'S PROPOSED	2002 ADOPTED
<hr/>							
<b>SPENDING APPROPRIATIONS</b>							
960 GENERAL DEBT SERVICE FUND	24,106,341	23,229,108	43,554,498	43,439,186	43,314,186	125,000-	240,312-
961 CITY REV BONDS, LONG TERM DEBT	4,989,637	5,954,637	5,954,729	6,869,753	6,869,753		915,024
963 G.O. SPEC ASSM DEBT SERV FUND	2,943,136	2,941,455	6,268,380	5,419,290	5,419,290		849,090-
967 CITY REVENUE NOTES DEBT SERVICE	316,746	316,746	316,746	316,746	316,746		
	<hr/>						
TOTAL SPENDING BY UNIT	32,355,860	32,441,946	56,094,353	56,044,975	55,919,975	125,000-	174,378-
	<hr/>						
<b>SPENDING BY MAJOR OBJECT</b>							
SALARIES	103,294	122,862	138,918	147,606	147,606		8,688
EMPLOYER FRINGE BENEFITS	31,516	36,275	41,699	44,165	44,165		2,466
SERVICES	25,954	1,845	76,767	80,374	80,374		3,607
MATERIALS AND SUPPLIES	4,765	8,598	6,665	6,665	6,665		
MISC TRANSFER CONTINGENCY ETC	250,000	285,053	310,000	280,000	280,000		30,000-
DEBT	31,940,331	31,987,313	55,520,304	55,486,165	55,361,165	125,000-	159,139-
STREET SEWER BRIDGE ETC IMPROVEMENT							
EQUIPMENT LAND AND BUILDINGS							
	<hr/>						
TOTAL SPENDING BY OBJECT	32,355,860	32,441,946	56,094,353	56,044,975	55,919,975	125,000-	174,378-
	<hr/>						
		.3 %	72.9 %	.1-%	.2-%	.2-%	.3-%
<hr/>							
<b>FINANCING BY MAJOR OBJECT</b>							
<b>SPECIAL FUNDS</b>							
TAXES	19,242,185	19,528,506	19,437,127	19,494,627	19,494,627		57,500
LICENSES AND PERMITS							
INTERGOVERNMENTAL REVENUE		1,868	763,948	26,710	26,710		737,238-
FEES, SALES AND SERVICES		10					
ENTERPRISE AND UTILITY REVENUE	84,004	114,660	130,000	130,000	130,000		
MISCELLANEOUS REVENUE	13,113,901	12,780,280	9,523,467	9,162,733	9,022,733	140,000-	500,734-
TRANSFERS	3,197,864	4,061,719	4,363,911	5,294,757	5,294,757		930,846
FUND BALANCES			21,875,900	21,936,148	21,951,148	15,000	75,248
	<hr/>						
TOTAL FINANCING BY OBJECT	35,637,954	36,487,043	56,094,353	56,044,975	55,919,975	125,000-	174,378-
	<hr/>						
		2.4 %	53.7 %	.1-%	.2-%	.2-%	.3-%

## Budget Explanation

### Major Changes in Spending and Financing

#### Creating the 2003 Budget Base

The 2002 adopted budget was adjusted to set the base for the year 2003. The budget was increased for the anticipated growth in 2003 for salaries and fringes.

#### Department Proposals

- The spending in fund 960, general debt service, decreased by \$115,312. The budget proposes issuing \$19,000,000 capital improvement budget (CIB) bonds in 2003. The 2000 and 2001 actuals reflect only the amount actually spent and do not reflect the subsequent year debt that is budgeted in 2002 and 2003.

For funds 960 and 963, the budget includes appropriations for both the amount needed to meet the budget year debt service obligations, and an amount needed to meet the obligations of the first half of the following year (subsequent year). Therefore, the amount appropriated exceeds the amount actually spent in the budget year. This additional amount remains in fund balance to use as a financing source for the subsequent year's debt service payments. While complicated, this budget structure solves a cash flow problem for the city. If this practice was not employed, the city would lack the cash to make the debt service payments due before it receives its major cash infusions each year.

- Spending for fund 961, city revenue bonds, long-term debt, increased by \$915,024. This fund makes payments for Wild Arena debt service from Arena facility lease payments and Minnesota Wild hockey team revenue (payments in lieu of taxes). These are backed by sales tax revenues.
- Spending for fund 963, general obligation special assessment debt service, decreased by \$849,090 compared to 2002. The 2000 and 2001 actuals reflect only the amount actually spent and do not reflect the subsequent year debt that is budgeted in 2002 and 2003.
- Also included was spending in fund 967, city revenue notes debt service, for a bank note for purchase of property for the Science Museum, paid by parking revenues and cultural sales tax (STAR) monies. There was no change in spending from 2002.

#### Mayor's Recommendations

In preparing the 2003 proposed budget, the mayor recommended accepting the spending proposals contained in the submitted budget, but made these adjustments (compared to 2002 adopted) to the financing plan,

- Fund 960, general obligation debt service, the budget submitted increased the debt service levy for 2003 only by the amount of the levy that the city council

shifted to operations for 2002 (\$57,500).

Use of interest earnings, transferred from the capital projects fund, were increased by \$225,000.

The financing plan shows \$4.1 million of transfers from the sewer fund used to finance sewer-related debt service payments. Excluding transfers for subsequent year debt service, the increase in transfers is \$1.8 million.

Decreases in revenue include the transfer from PED fund 149 (\$591,052), transfer from HRA fund 148 for TIF contribution (\$382,238), Mears Park tax abatement (\$355,000), and the use of fund balance (\$296,981). Total decreases equal \$1.6 million.

- The bonds for fund 961, city revenue bonds, long-term debt, are financed with facility lease payments and Minnesota Wild hockey team revenues (payments in lieu of taxes). These are backed by sales tax revenues. The \$915,024 increase in spending was financed by an increase of \$35,074 in payments in lieu of taxes and by \$879,950 in use of fund balance built up from previous year's payments in lieu of taxes and lease payments.
- For fund 963, general obligation special assessment debt service, the decrease in spending necessitated lowering financing amounts. Use of fund balance and assessments were adjusted to match the \$849,090 decrease in spending.
- No changes were needed for fund 967, city revenue notes debt service. Both spending and financing are the same as 2002.

#### Council Actions

The city council adopted the general obligation debt service budget and recommendations as proposed by the mayor, and approved the following changes:

- Reducing spending in fund 960 by \$125,000 due to an estimated lower interest cost (4%) for the bonds being sold in 2003.
- Reducing financing in fund 960 by \$125,000 due to a lower interest earnings estimate (3.5%) on its cash balance.

# Property Taxes

## Factors Affecting Your City Property Tax Bill

The four most important factors affecting how much a property owner pays in city property taxes are:

- amount of city spending;
- availability of revenues other than property taxes;
- size of the tax base; and
- composition of the tax base

The first two factors, spending and other revenues, affect the total tax dollars that must be levied. The remaining two factors determine the tax levy's distribution among all property owners.

### City Spending:

The first factor affecting city property tax levels is city spending. It is the only factor that the mayor and city council directly control. Saint Paul must maintain a balanced budget, so all proposed spending must be covered with a financing source. If city spending were the only factor affecting taxes, tax rates would mirror spending exactly.

### Other Revenues:

City reliance on property taxes depends on other revenues available to the city. The dominant other revenues are state aids, such as Local Government Aid (LGA), utility fees collected for the use of the city streets and by-ways, transfers from other city funds, collections of motor vehicle-related fines, and interest earnings from cash balances. Trends for these other revenue sources are mixed. In recent years, the city has seen both growth and loss of these revenues. It is important that the city not rely too much on any single revenue source. Nevertheless, state aid is the city's largest revenue source and continues to be an important factor in Saint Paul's ability to control property taxes.

### Size of the Property Tax Base:

The tax base size can be measured as the sum of the market value of all taxable properties. The absolute size of and changes in the tax base are attributable to many factors, the most important of which are: commercial/industrial lease values, commercial/industrial occupancy rates, and the strength of the residential market. The larger the base, the broader the distribution of the tax burden.

Property taxes in Saint Paul are affected by a state law called "Fiscal Disparities." This tax base sharing law causes a part of the City's property tax levy to be paid by businesses located outside the City. Saint Paul property owners will continue to benefit from this law in 2003, with "outsiders" paying \$13 million of the \$63.8 million total tax bill. However, the amount paid through Fiscal Disparities in 2003 is \$5 million less than the \$18 million paid in 2002, due to state law changes and economic factors. As a result, \$5 million more in city taxes will have to be paid by Saint Paul businesses and residents in 2003—even though the City will collect no more taxes in total than it did this year.

### Composition of the Tax Base:

The composition of the base affects the relative share of the tax levy. The taxable property value, or tax capacity, is not the same on different classes of property. Minnesota's class rate system allocates differing shares of tax burden based on the use of the property. Apartments, residential homes, and commercial/industrial properties have different taxable value (tax capacity). One dollar of commercial/industrial property has a greater tax capacity than one dollar of residential property, due to the class rate structure.



The 2001 Legislature made significant adjustments to the class rates for payable 2002 taxes and subsequent years, reducing the class rates for large businesses, rental residential and homes valued over \$75,000. The payable 2003 class rates are compared to the payable 2001 rates below.

#### Property Class Rates \*\*

	Pay 2001	Pay 2003
Homestead Residential \$0-\$76,000 EMV	1.00%	1.00%
Homestead Residential \$76,000-\$500,000 EMV	1.65%	1.00%
Homestead Residential over \$500,000 EMV	1.65%	1.25%
Non-Homestead Resid. single unit < \$76,000	1.20%	1.00%
Non-Homestead Resid. single unit > \$76,000	1.65%	1.00%
Non-Homestead Residential 2 or 3 units	1.65%	1.25%
Non-Homestead Residential 4 or more units	2.40%	1.80%
Commercial/Industrial < \$150,000	2.40%	1.50%
Commercial/Industrial > \$150,000	3.40%	2.00%

EMV: estimate market value

\*\* Class rate percentages are applied to the Estimated Market Values of property to reach Taxable Values. The tax rate (formerly mill rate) is applied against the taxable values to determine the gross payable tax.

If the total value in one property class grows faster than the other classes, those property owners' tax share increases.

## 2003 Adopted Budget

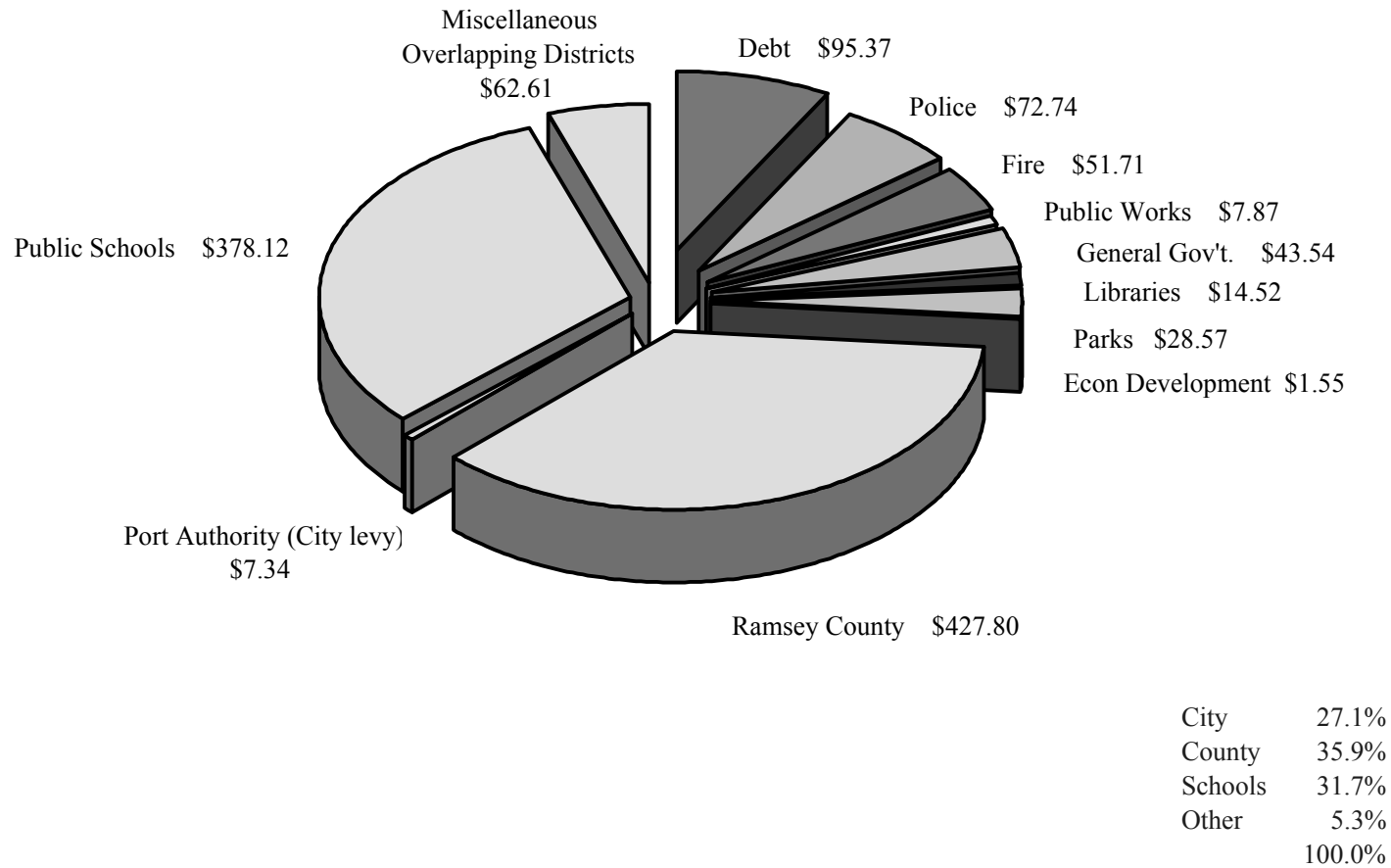
The adopted \$63.8 million property tax levy makes 2003 the tenth year of no city property tax increase. The City is collecting fewer dollars in both nominal and real terms today than 1994: 1994's \$66.7 million levy equals \$81 million today after adjusting for inflation.

Of the proposed \$63.8 million levy, \$43.6 million is for city operations, \$18.8 million is for debt service, and \$1.4 million is levied on the Port Authority's behalf.

Although the City's property tax levy does not increase, the levy's distribution will change. The 2001 Legislature's law changes are gradually phasing-out residential properties' limited market value protection, which keep market value growth under a certain percentage. Residential owners will pay a greater share of 2003's total property tax levy than 2002's. In 2003, the Metropolitan Fiscal Disparities Program will experience the effect of the commercial/industrial class rate reductions. This reduction means non-Saint Paul property owners will pay a smaller share, shifting some burden to Saint Paul properties.

## Adopted 2003 Saint Paul Property Taxes

Pay 2003 Rates Applied to a Typical Home Valued at \$106,900



## Tax Dollars and the Services They Buy

Look what less than a dollar a day can buy! Any citizen who pays property taxes wonders where the money goes. This pie chart shows how your tax dollars are at work in the community. Consider the property taxes on an average residential property (\$106,900) in Saint Paul. In 2003, the owner will pay about \$1,118 in property taxes (2002 school district referendum levy excluded). Of that amount, \$325, or 29%, will go to the City of Saint Paul. That's less than a dollar a day.

Police and Fire services receive two of the larger portions of your city property tax dollar. For \$73 annually, property taxpayers of an average-priced home are provided with 24-hour law enforcement protection. For \$52 a year, they receive around-the-clock fire and medical response. In addition to their immediate response services, both departments offer invaluable education and prevention programs.

\$96 covers capital debt, the city's annual cost of repaying bonds that finance street construction, new libraries, recreation centers, children's play equipment and other capital improvements made over the last ten years. \$27 goes to Parks and Recreation to provide a wide array of neighborhood recreational activities and to maintain 42 recreation centers and 4,000+ acres of city park land. For \$15, the Saint Paul Public Libraries offer taxpayers access to millions of books through the Metropolitan Library Service Association (MLSA) lending system and other library resources at their neighborhood libraries.



# Department Summaries



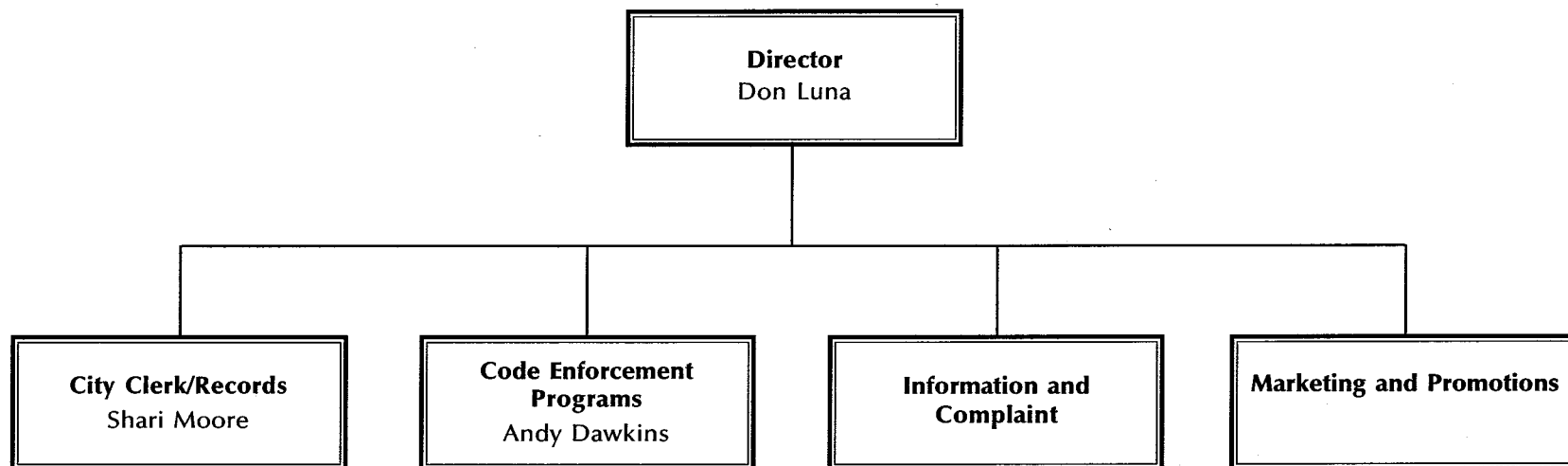
# Citizen Service Office

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## **Mission Statement**

The Citizen Service Office is made up of four divisions: City Clerk Records; Marketing and Promotions; Information and Complaint; and Neighborhood Housing and Property Improvement. Together, the employees of the Citizen Service Office maintain Saint Paul's official recorded history, promote its vitality and diversity as advocates and liaisons, and preserve the livability of our community through enforcement of property maintenance standards.

## Citizen Service Office





## Strategic Plan Accomplishments and 2003 Priorities

### Major Accomplishments

The AMANDA computer program was implemented for Information and Complaint and for Code Enforcement as a replacement for the antiquated EXL system. AMANDA is a citywide program and links the Citizen Service Office with other city departments for the collection, handling, and resolution of citizen complaints.

The department has begun to define the management reports needed to communicate data about complaint activities, to identify and produce summary data, of problems, areas or addresses, or individuals.

A new department director was trained.

### 2003 Priorities

- Reorganization of the Citizen Service Office
- Create a New Citizens Office
- Begin planning and fundraising for 2005 International Institute of Municipal Clerks International Convention that will be held in Saint Paul
- Survey of customers for service satisfaction

# Citizen Service Office

DEPARTMENT/OFFICE DIRECTOR: DON LUNA

	2000 2ND PRIOR EXP & ENC *	2001 LAST YEAR EXP & ENC *	2002 ADOPTED BUDGET	2003 MAYOR'S PROPOSED	2003 COUNCIL ADOPTED	ADOPTED CHANGE FROM MAYOR'S PROPOSED	2002 ADOPTED
<b>SPENDING APPROPRIATIONS</b>							
001 GENERAL FUND	2,996,843	3,550,365	3,315,637	3,974,024	3,899,024	75,000-	583,387
040 PROPERTY CODE ENFORCEMENT	543,689	474,919	770,778	958,572	958,572		187,794
<b>TOTAL SPENDING BY UNIT</b>	<b>3,540,532</b>	<b>4,025,284</b>	<b>4,086,415</b>	<b>4,932,596</b>	<b>4,857,596</b>	<b>75,000-</b>	<b>771,181</b>
<b>SPENDING BY MAJOR OBJECT</b>							
SALARIES	1,867,490	2,047,441	2,146,759	2,333,251	2,333,251		186,492
EMPLOYER FRINGE BENEFITS	552,657	568,165	626,915	697,752	697,752		70,837
SERVICES	1,055,243	1,338,831	1,228,007	1,742,971	1,667,971	75,000-	439,964
MATERIALS AND SUPPLIES	63,222	47,075	53,084	129,643	129,643		76,559
MISC TRANSFER CONTINGENCY ETC	1,920	11,578	500	500	500		
DEBT							
STREET SEWER BRIDGE ETC IMPROVEMENT				5,329	5,329		5,329
EQUIPMENT LAND AND BUILDINGS		12,194	31,150	23,150	23,150		8,000-
<b>TOTAL SPENDING BY OBJECT</b>	<b>3,540,532</b>	<b>4,025,284</b>	<b>4,086,415</b>	<b>4,932,596</b>	<b>4,857,596</b>	<b>75,000-</b>	<b>771,181</b>
	13.7 %		1.5 %	20.7 %	1.5-%	1.5-%	18.9 %
<b>FINANCING BY MAJOR OBJECT</b>							
GENERAL FUND	2,996,843	3,550,365	3,315,637	3,974,024	3,899,024	75,000-	583,387
SPECIAL FUNDS							
TAXES							
LICENSES AND PERMITS	2,850	255		4,300	4,300		4,300
INTERGOVERNMENTAL REVENUE							
FEES, SALES AND SERVICES	91,930	229,733	230,000	300,300	300,300		70,300
ENTERPRISE AND UTILITY REVENUE							
MISCELLANEOUS REVENUE							
TRANSFERS	316,996	293,074	542,102	653,972	653,972		111,870
FUND BALANCES			1,324-				1,324
<b>TOTAL FINANCING BY OBJECT</b>	<b>3,408,619</b>	<b>4,073,427</b>	<b>4,086,415</b>	<b>4,932,596</b>	<b>4,857,596</b>	<b>75,000-</b>	<b>771,181</b>
	19.5 %		.3 %	20.7 %	1.5-%	1.5-%	18.9 %

## Budget Explanation

### Major Changes in Spending and Financing

#### Creating the 2003 Budget Base

The 2002 adopted budget was adjusted to set the base for the year 2003. The budget was increased for the anticipated growth in 2003 for salaries and fringes related to the bargaining process.

#### Office Proposals

The target budget reduction was met by reducing several miscellaneous spending line items in the Records division, Information and Compliant division, and Marketing and Promotions. The Neighborhood Housing and Property Improvement division reduced operations by shifting personnel costs to the Code Enforcement special fund.

The Marketing and Promotions division budget also reflects increased spending and revenue due to the transfer of the citywide special events program from the division of Parks and Recreation.

#### Mayor's Recommendations

In preparing the 2003 proposed budget, the mayor recommended accepting the office proposals contained in the submitted budget, with these exceptions:

- add two positions to provide additional support to the city's code enforcement efforts.
- add additional resources to the Neighborhood Housing and Property Improvement Office for web services, fleet rental, uniform replacement, and purchase of Palm pilots for property inspections.
- add additional support to neighborhood festivals and strengthen the city's leadership in marketing Saint Paul.
- shift budget authority to provide funding for annual maintenance costs and the replacement of the AMANDA server.
- add one position to support services and outreach to new citizens residing in and visiting Saint Paul.

#### City Council Action

The city council adopted the Citizen Services Office budget and recommendations as proposed by the mayor.

The city council made these further changes:

- move half of the additional support for citywide marketing efforts out of the office budget and place it into specified contingency in the general government accounts.



# City Attorney

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## **Mission Statement**

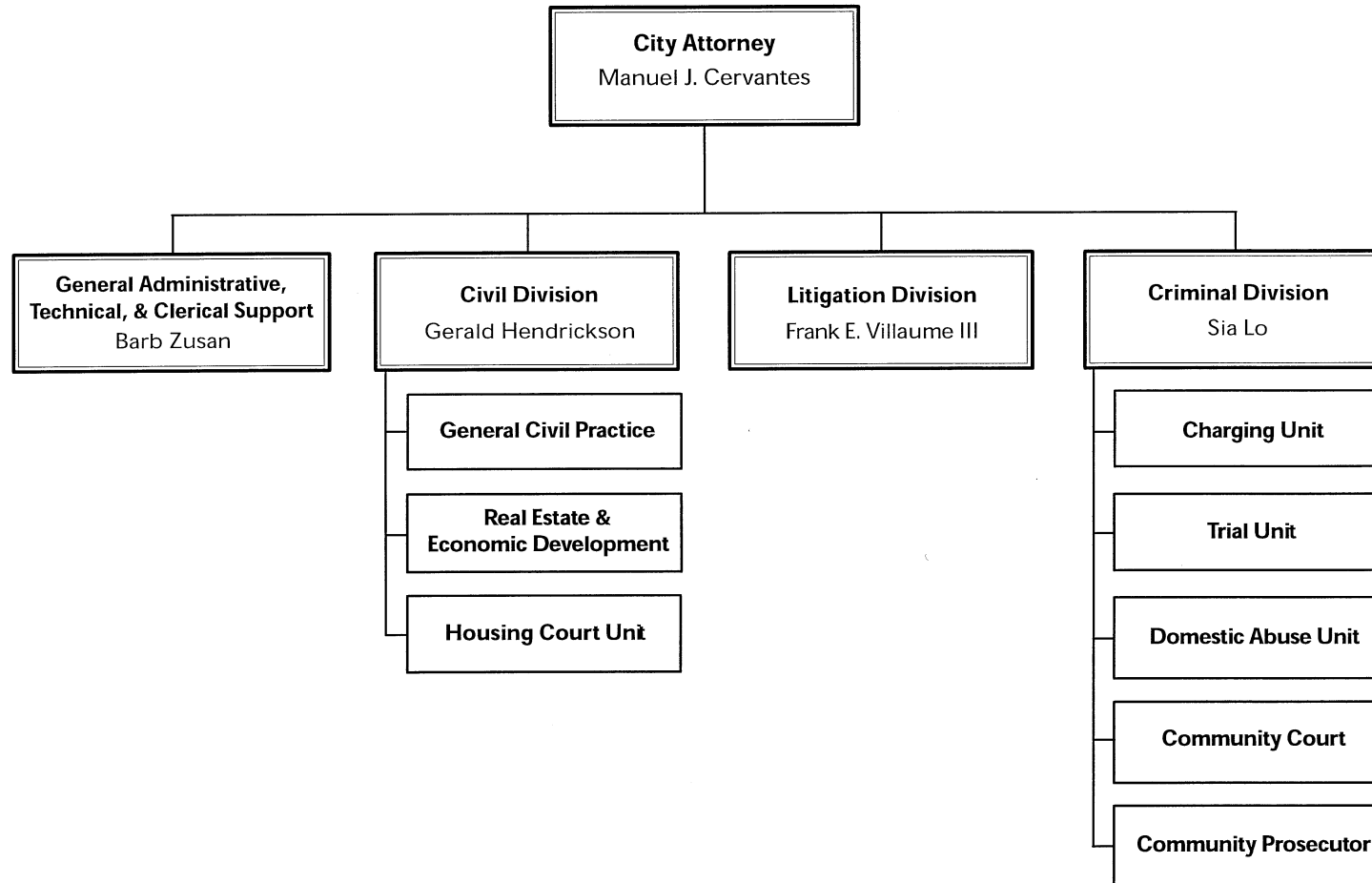
The mission of the Office of the Saint Paul City Attorney is to fulfill its duty to represent the city in its legal affairs with integrity, professionalism, and collegiality.

Integrity means that we are loyal to the interests of the city and the laws under which it functions.

Professionalism means that we are thorough and creative in representing the interests of the city, respectful of the public process in which we function, and courteous to all those with whom we interact.

Collegiality means working together, and with the elected and appointed officials of the city, to continuously seek improvements to the quality of legal services and the efficiency with which they are provided.

# City Attorney



## Strategic Plan Accomplishments and 2003 Priorities

### Major Accomplishments

- The City Attorney's Office has developed and implemented a new classification and compensation plan for attorneys.
- The Civil Division provided outstanding legal services to the Mayor, City Council, and city departments on housing, development, licensing, zoning, labor, and other governmental operations.
- The Criminal Case Management System has been in place since March, 2000. Customization will be complete by the end of 2002. Two sites have been set up for access by Police.
- Criminal Division staff handled 18,851 cases in 2001 and is expecting to handle approximately 19,000 in 2002.
- Criminal Division staff from the Domestic Abuse Unit have worked successfully with Saint Paul Intervention Project to encourage victim cooperation in prosecuting domestic abuse cases.
- Regular meetings have been held with the Courts, the Ramsey County Attorney, and law enforcement personnel to improve cooperation among these agencies when dealing with criminal cases.
- Litigation court costs, payouts, and settlements were substantially reduced in 2001 compared to 2000.

### 2003 Priorities

- Continue providing outstanding legal services to the Mayor, the City Council, and city departments on housing, development, licensing, zoning, labor, and other governmental operations.
- Continue training prosecutors to improve effectiveness and efficiency through interoffice opportunities with prosecutors from other cities.
- Revise office policies dealing with charging decisions to ensure efficient and uniform screening of cases.
- Ensure that all victims and witnesses are contacted and informed of their rights.
- Work with Traffic Violations Bureau to improve prosecution of traffic violators.
- Work with Ramsey County to strengthen the Community Prosecution program and find creative ways to solve livability crimes.
- Strengthen the Joint Prosecution Unit to help break the cycle of violence in families.
- Work toward diversifying the office to reflect the community we serve.
- Review all litigation resolved during 2002 and prepare close-out memos to departments with suggestions for reducing the likelihood of similar suits.

## City Attorney

DEPARTMENT/OFFICE DIRECTOR: MANUEL CERVANTES

	2000 2ND PRIOR EXP & ENC *	2001 LAST YEAR EXP & ENC *	2002 ADOPTED BUDGET	2003 MAYOR'S PROPOSED	2003 COUNCIL ADOPTED	ADOPTED MAYOR'S PROPOSED	CHANGE FROM 2002 ADOPTED
<u>SPENDING APPROPRIATIONS</u>							
001 GENERAL FUND	4,022,979	4,465,423	4,663,502	4,974,893	5,004,436	29,543	340,934
025 CITY ATTORNEY:OUTSIDE SERVICES FU	872,373	753,317	805,273	794,553	794,553		10,720-
TOTAL SPENDING BY UNIT	4,895,352	5,218,740	5,468,775	5,769,446	5,798,989	29,543	330,214
=====							
<u>SPENDING BY MAJOR OBJECT</u>							
SALARIES	3,238,678	3,455,067	3,766,763	4,091,693	4,114,389	22,696	347,626
EMPLOYER FRINGE BENEFITS	995,030	1,058,047	1,113,720	1,210,701	1,217,548	6,847	103,828
SERVICES	344,903	512,883	409,245	376,962	376,962		32,283-
MATERIALS AND SUPPLIES	91,157	83,322	79,240	72,290	72,290		6,950-
MISC TRANSFER CONTINGENCY ETC	113,020	77,539	99,807				99,807-
DEBT							
STREET SEWER BRIDGE ETC IMPROVEMENT							
EQUIPMENT LAND AND BUILDINGS	112,564	31,882		17,800	17,800		17,800
TOTAL SPENDING BY OBJECT	4,895,352	5,218,740	5,468,775	5,769,446	5,798,989	29,543	330,214
	=====						
		6.6 %	4.8 %	5.5 %	.5 %	.5 %	6.0 %
<u>FINANCING BY MAJOR OBJECT</u>							
GENERAL FUND	4,022,979	4,465,423	4,663,502	4,974,893	5,004,436	29,543	340,934
SPECIAL FUNDS							
TAXES							
LICENSES AND PERMITS							
INTERGOVERNMENTAL REVENUE	72,677	69,235	72,603	54,000	54,000		18,603-
FEES, SALES AND SERVICES	503,412	567,328	605,016	696,349	696,349		91,333
ENTERPRISE AND UTILITY REVENUE							
MISCELLANEOUS REVENUE							
TRANSFERS	196,760	60,116	63,457	26,404	26,404		37,053-
FUND BALANCES			64,197	17,800	17,800		46,397-
TOTAL FINANCING BY OBJECT	4,795,828	5,162,102	5,468,775	5,769,446	5,798,989	29,543	330,214
	=====						
		7.6 %	5.9 %	5.5 %	.5 %	.5 %	6.0 %



## **Budget Explanation**

### **Major Changes in Spending and Financing**

#### **Creating the 2003 Budget Base**

The 2002 adopted budget was adjusted to set the base for the year 2003. The City Attorney budget was increased for the anticipated growth in salaries and fringe benefits related to the bargaining process. A one time transfer from the special fund, as well as grant funding, which is ending, were eliminated from the 2003 base budget. Finally, a spending cap was imposed on the office's adjusted general fund budget to limit the growth of government spending and to avoid an increase to the city's property tax.

#### **Department Proposals**

The City Attorney's Office 2003 general fund budget was submitted meeting the base amount established. In order to meet this base amount the office reduced spending for personal computers and eliminated grant match spending. The financing submitted by the office also met the established base amount. The office proposes no staff or service reductions.

#### **Mayor's Recommendations**

In preparing the 2003 proposed budget, the mayor recommended accepting the office proposals contained in the submitted budget, with these exceptions,

- add \$59,627 for an attorney to work specifically with the Neighborhood Housing and Property Improvement section
- increase the general fund budget by \$125,526 for anticipated attorney performance pay costs
- add \$41,358 for an additional .5 FTE attorney to provide the office with a level of staffing adequate to handle the case workload; and
- recognize Local Law Enforcement Block Grant funding from the Police Department to fund an additional .5 FTE legal assistant to work on victim-witness advocacy.

#### **Council Actions**

The City Council adopted the City Attorney budget and recommendations as proposed by the Mayor, and approved the following changes recommended by the Mayor:

- add \$29,543 for a half-time criminal attorney.



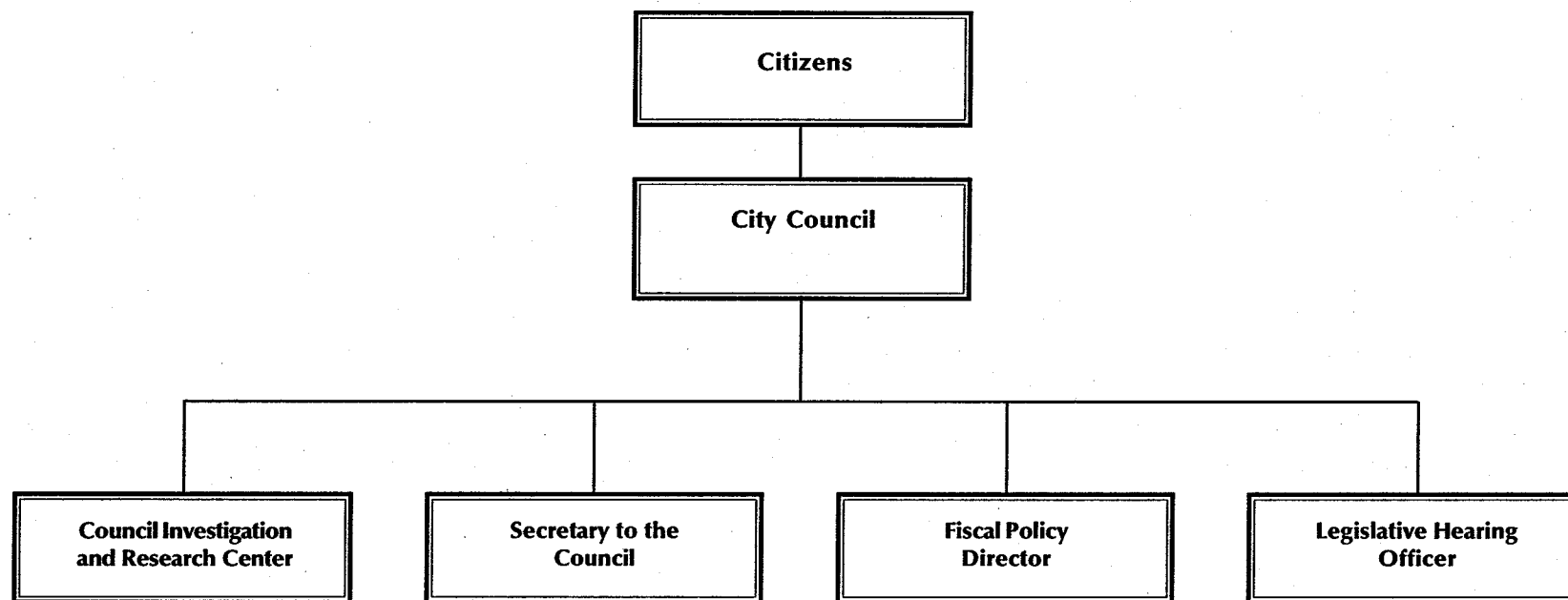
# City Council

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## **Mission Statement**

The City Council is the legislative, policy-making, budget-approval and performance-auditing body for Saint Paul city government. The Council exists to provide for the health, welfare, safety, economic opportunity, quality of life, and common good of the people of Saint Paul.

## City Council



## Strategic Plan Accomplishments and 2003 Priorities

### Major Accomplishments

- The Council considered and disposed of more than 1,300 pieces of legislation.
- Council Research completed analyses and research in support of City Council legislative activities and conducted a major study of chronic problem properties in Saint Paul.
- The Legislative Hearing Officer conducted legislative hearings involving hundreds of assessments, objections to license applications, nuisance properties and other matters.
- The Fiscal Policy Director supported the Council's 2002 budget review process and conducted fiscal analyses of numerous financial plans and funding proposals.

### 2003 Priorities

- Exercising the legislative responsibilities for the city as provided by the city charter;
- Functioning as the Housing and Redevelopment Authority and the city Board of Health;
- Serving as a judicial body to hear appeals as specified by law;
- Determining policy direction for the city's fiscal affairs and development plans;
- Performing the legislative oversight function through the conduct of policy analyses and performance audits;
- Overseeing the granting of city franchises;
- Directing operations of the legislative branch of city government; and
- Approving the budgets for all city departments, as well as the River Centre Authority, Saint Paul Regional Water Services and the Housing and Redevelopment Authority, and the tax levy for the Port Authority.

# City Council

DEPARTMENT/OFFICE DIRECTOR: GREG BLEES

	2000 2ND PRIOR EXP & ENC *	2001 LAST YEAR EXP & ENC *	2002 ADOPTED BUDGET	2003 MAYOR'S PROPOSED	2003 COUNCIL ADOPTED	ADOPTED CHANGE FROM MAYOR'S 2002 PROPOSED ADOPTED
<b>SPENDING APPROPRIATIONS</b>						
001 GENERAL FUND	1,998,241	2,016,335	2,175,054	2,218,107	2,218,107	43,053
724 PUBLIC UTILITIES INVESTIGATION FU	107,395	124,259	88,897	65,434	65,434	23,463-
<b>TOTAL SPENDING BY UNIT</b>	<b>2,105,636</b>	<b>2,140,594</b>	<b>2,263,951</b>	<b>2,283,541</b>	<b>2,283,541</b>	<b>19,590</b>
<b>SPENDING BY MAJOR OBJECT</b>						
SALARIES	1,456,826	1,490,111	1,542,573	1,589,553	1,589,553	46,980
EMPLOYER FRINGE BENEFITS	444,375	448,192	469,701	485,605	485,605	15,904
SERVICES	117,614	99,777	142,024	124,524	124,524	17,500-
MATERIALS AND SUPPLIES	35,439	22,255	35,653	35,653	35,653	
MISC TRANSFER CONTINGENCY ETC	51,382	80,259	74,000	48,206	48,206	25,794-
DEBT						
STREET SEWER BRIDGE ETC IMPROVEMENT						
EQUIPMENT LAND AND BUILDINGS						
<b>TOTAL SPENDING BY OBJECT</b>	<b>2,105,636</b>	<b>2,140,594</b>	<b>2,263,951</b>	<b>2,283,541</b>	<b>2,283,541</b>	<b>19,590</b>
		1.7 %	5.8 %	.9 %		.9 %
<b>FINANCING BY MAJOR OBJECT</b>						
GENERAL FUND	1,998,241	2,016,335	2,175,054	2,218,107	2,218,107	43,053
SPECIAL FUNDS						
TAXES						
LICENSES AND PERMITS						
INTERGOVERNMENTAL REVENUE						
FEES, SALES AND SERVICES	125,188	66,724	65,000	65,000	65,000	
ENTERPRISE AND UTILITY REVENUE						
MISCELLANEOUS REVENUE						
TRANSFERS						
FUND BALANCES			23,897	434	434	23,463-
<b>TOTAL FINANCING BY OBJECT</b>	<b>2,123,429</b>	<b>2,083,059</b>	<b>2,263,951</b>	<b>2,283,541</b>	<b>2,283,541</b>	<b>19,590</b>
		1.9-%	8.7 %	.9 %		.9 %

## **Budget Explanation**

### **Major Changes in Spending and Financing**

#### **Creating the 2003 Budget Base**

The 2002 adopted budget was adjusted to set the base for the year 2003.

The City Council budget was increased for the anticipated growth in 2003 for salaries and fringes related to the bargaining process.

#### **Office Proposals**

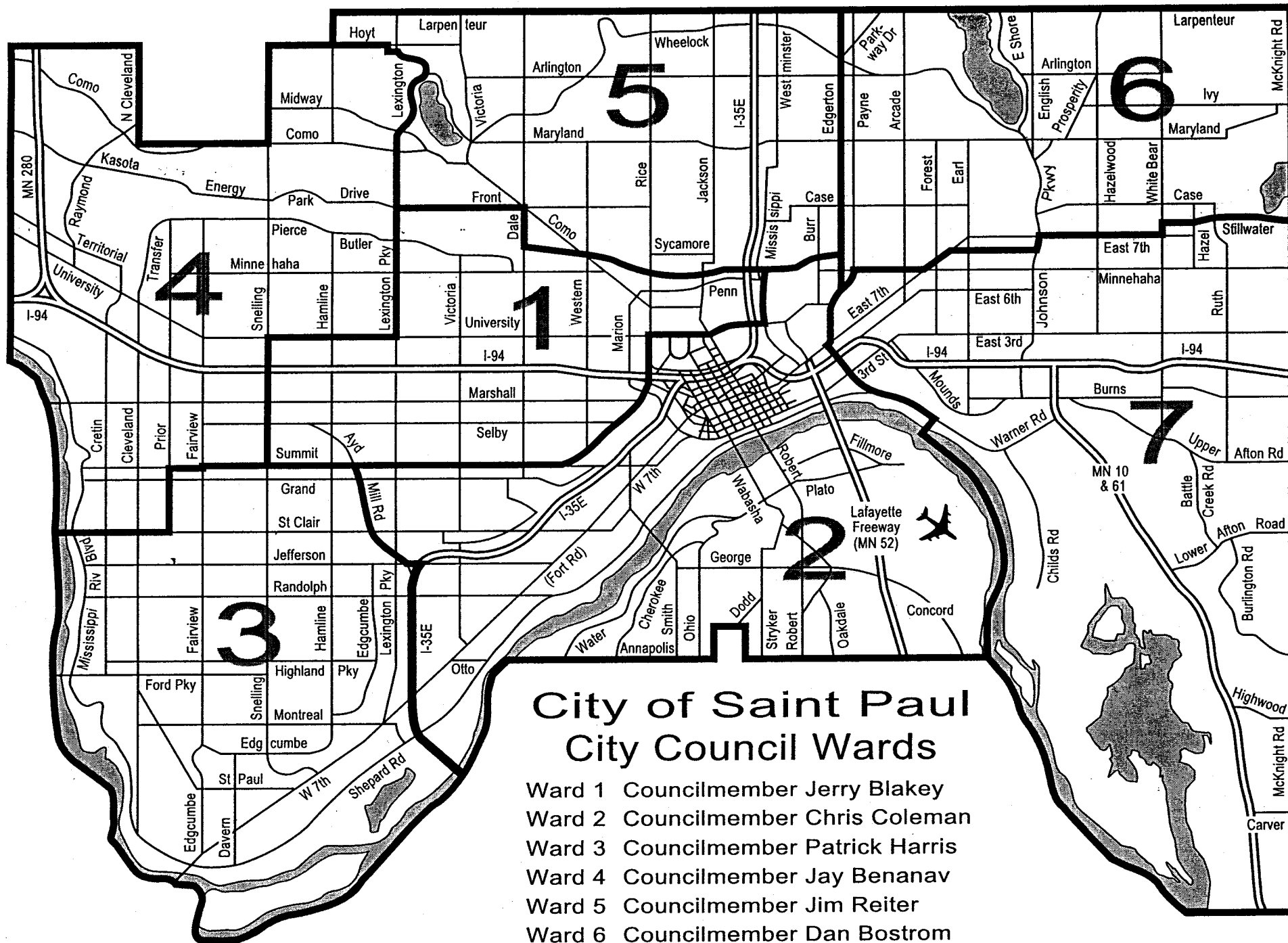
The City Council submitted its budget with no major changes from last year's level of financing or spending. The budget submitted exceeded the spending cap.

#### **Mayor's Recommendations**

In preparing the 2003 proposed budget, the mayor recommended accepting the office proposals contained in the submitted budget.

#### **City Council Action**

The city council adopted the city council budget and recommendations as proposed by the mayor.





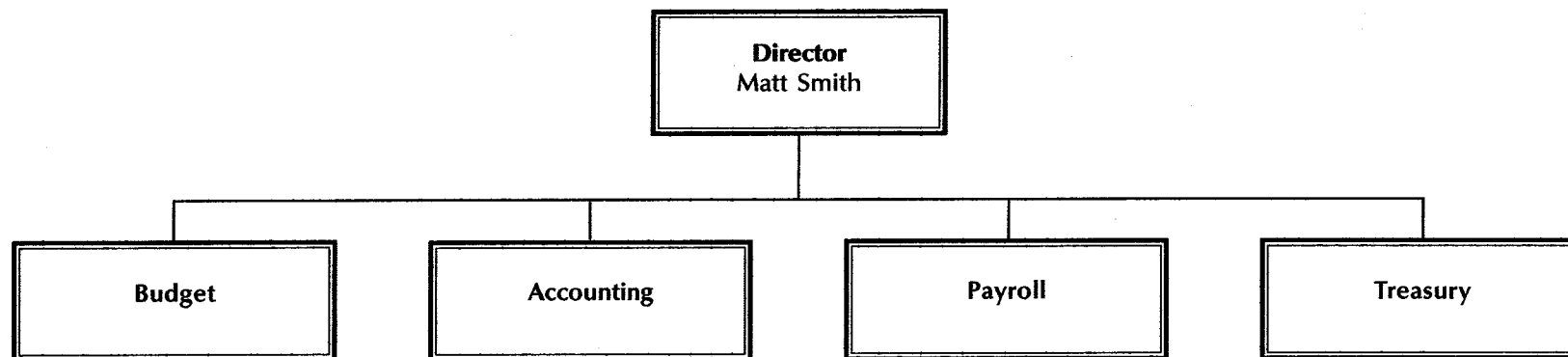
# Office of Financial Services

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## **Mission Statement**

To lead and direct the city's finances by providing first-class financial policies and services to, and on behalf of, the organization.

## Financial Services



## Strategic Plan Accomplishments and 2003 Priorities

### Major Accomplishments

- Provided superior service in payroll, accounting, budgeting, treasury, system maintenance and financial reporting with 2.7 FTE vacant positions.
- Maintained the current ratings as measured by the bond rating agencies. Standard & Poor's reaffirmed the city's AAA rating and Moody's reaffirmed the city's Aa2 rating.
- Proposed 2002 operating, capital and debt budgets with no property tax increase.
- Received the Government Finance Officers Association's (GFOA) Certificate of Achievement for Excellence in Financial Reporting for the city's 2000 comprehensive annual financial report (CAFR). Published 2001 CAFR on time with State Auditor's unqualified opinion.
- Met 2002 mayoral budget directives and successfully managed the Office of Financial Services' spending and employee salary and benefits with consistency, efficiency and effectiveness.
- Completed the following parts of the Governmental Accounting Standards Board (GASB) Statement No. 34 implementation project:
  - Phase I: gap analysis and implementation manual; revision of equipment inventory system; functional distribution of compensated absences; and initial accountant training.
- With Ramsey County, Independent School District No. 625 and the Port Authority, the city completed and distributed the biannual joint debt book.
- Completed an RFP for external money managers, which reduced fees by three basis points, from 20 basis points to 17, and added one new external manager.
- Added acceptance of American Express and Discover Card credit cards for payment of city services. Presented credit card and cash handling training sessions to city staff.

### 2003 Priorities

Implement the mayor's priorities by:

- Proposing a 2003 budget with no increase in property taxes.
- Budgeting proposals that reflect the mayor's priorities.
- Hiring, where possible, to have office staff reflect the diversity of Saint Paul.
- Continuing the city's effort to price the cost of services and to measure performance related to delivering city services. Encourage departments and offices to actively manage operating and capital expenditures and maximize revenues in new and creative ways. This includes factoring in normal underspending.
- Planning for the replacement of the city's finance system to include functions that will assist the above efforts.
- Controlling the costs of fiscal operations, including the cost of debt issuance and investment management, and seek a competitive return on investments.
- Working with PED to finance the city's mixed income housing 5,000 fund and riverfront development.
- Implementing Phase II of the GASB Statement 34 project by December 31, 2002.
- Seeking opportunities to implement productivity strategies, including reorganizations.
- Continuing efforts to promote and reward fiscal discipline, including the use of incentives.
- Publishing financial documents that provide the finance professional and the interested citizen with information that is well documented and informative.

## Financial Services

DEPARTMENT/OFFICE DIRECTOR: MATT SMITH

	2000 2ND PRIOR EXP & ENC *	2001 LAST YEAR EXP & ENC *	2002 ADOPTED BUDGET	2003 MAYOR'S PROPOSED	2003 COUNCIL ADOPTED	ADOPTED MAYOR'S PROPOSED	CHANGE FROM 2002 ADOPTED
<hr/>							
<u>SPENDING APPROPRIATIONS</u>							
001 GENERAL FUND	1,552,200	1,640,645	1,646,873	1,676,549	1,676,549		29,676
050 SPECIAL PROJECTS:GEN GOV ACCTS FU	5,281,745	5,088,204	5,267,918	4,993,729	5,153,704	159,975	114,214-
070 INTERNAL BORROWING FUND	755,147	6,718,168					
802 CPL OPERATING FUND	1,257,211	2,642,969	2,720,014	2,903,211	2,903,211		183,197
	<hr/>						
TOTAL SPENDING BY UNIT	8,846,303	16,089,986	9,634,805	9,573,489	9,733,464	159,975	98,659
	<hr/>						
<u>SPENDING BY MAJOR OBJECT</u>							
SALARIES	1,376,742	1,244,529	1,542,233	1,577,011	1,577,011		34,778
EMPLOYER FRINGE BENEFITS	420,037	371,059	468,267	482,808	482,808		14,541
SERVICES	496,701	642,963	401,231	403,367	403,367		2,136
MATERIALS AND SUPPLIES	19,196	29,962	63,023	75,852	79,602	3,750	16,579
MISC TRANSFER CONTINGENCY ETC	5,084,200	11,693,914	5,410,051	5,334,451	5,490,676	156,225	80,625
DEBT	755,147	718,168					
STREET SEWER BRIDGE ETC IMPROVEMENT	694,280	1,389,391	1,750,000	1,700,000	1,700,000		50,000-
EQUIPMENT LAND AND BUILDINGS							
	<hr/>						
TOTAL SPENDING BY OBJECT	8,846,303	16,089,986	9,634,805	9,573,489	9,733,464	159,975	98,659
	<hr/>						
		81.9 %	40.1-%	.6-%	1.7 %	1.7 %	1.0 %
<hr/>							
<u>FINANCING BY MAJOR OBJECT</u>							
GENERAL FUND	1,552,200	1,640,645	1,646,873	1,676,549	1,676,549		29,676
SPECIAL FUNDS							
TAXES	1,765,714	1,622,576	1,735,911	1,578,125	1,738,100	159,975	2,189
LICENSES AND PERMITS							
INTERGOVERNMENTAL REVENUE							
FEES, SALES AND SERVICES	3,053,991	2,897,568	2,930,923	2,785,870	2,785,870		145,053-
ENTERPRISE AND UTILITY REVENUE							
MISCELLANEOUS REVENUE	3,867,082	4,868,800	3,267,097	3,255,933	3,255,933		11,164-
TRANSFERS	14,053	6,241	14,001	15,612	15,612		1,611
FUND BALANCES			40,000	261,400	261,400		221,400
	<hr/>						
TOTAL FINANCING BY OBJECT	10,253,040	11,035,830	9,634,805	9,573,489	9,733,464	159,975	98,659
	<hr/>						
		7.6 %	12.7-%	.6-%	1.7 %	1.7 %	1.0 %

## Budget Explanation

### Major Changes in Spending and Financing

#### Creating the 2003 Budget Base

The 2002 adopted budget was adjusted to set the base for the year 2003. The budget was increased for the anticipated growth in salaries and fringe benefits related to the collective bargaining process. A spending cap was imposed on the office's adjusted general fund budget to limit the growth of government spending and to avoid an increase in the city's property tax.

#### Office Proposals

In order to meet the base budget, the office eliminated 0.7 FTE clerical position. In anticipation of State LGA cuts in early 2003, we will leave two positions vacant—one in budget and one in treasury—during the first quarter.

#### Mayor's Recommendations

In preparing the 2003 proposed budget, the mayor accepted the proposal contained in the office's requested budget.

#### Council Actions

The city council adopted the Office of Financial Services budget and recommendations as proposed by the mayor, and approved the following changes:

- In special fund 050, adding \$3,750 revenue reserve, and \$156,225 for the Convention and Visitors Bureau to activity 30108, and using additional hotel/motel taxes to finance these additions.



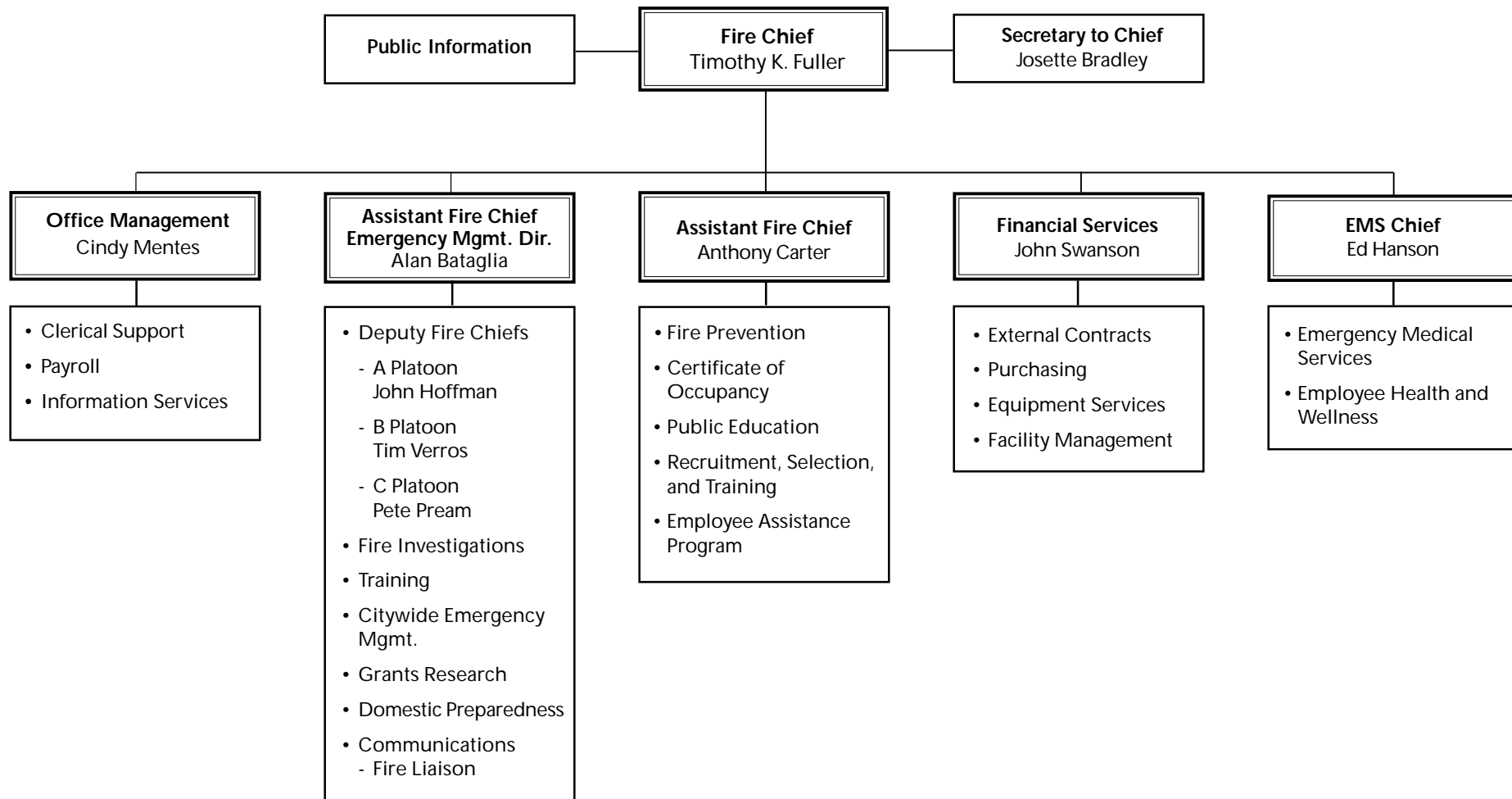
# **Fire and Safety Services**

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## **Mission Statement**

To protect the life and property of people in Saint Paul by providing quality service, by dedicated professionals.

## Department of Fire and Safety Services





## Strategic Plan Accomplishments and 2003 Priorities

### Major Accomplishments

- Hepatitis C Screening and Vaccination - this year's program was paid for through a public-private partnership at no cost to the city. These procedures will reduce future liability and costs by early detection and prevention from potential exposure to our first responders.
- Health and Wellness Program - Our Safety, EMS, and Health and Wellness Committees have significantly contributed to the development of this program. Its intent is to create a safer work environment for our employees, to minimize workplace injury through prevention and rehabilitation, and to promote healthy lifestyles. We achieved the lowest average number of work days lost to employee injury in 2001. Our average was .96 days per firefighter compared to 2.64 days citywide. This is exceptional, given the fact that firefighting is one of the most dangerous occupations in our country.
- Our department solicits input from our customers regarding our services. We ask them to rate our response performance using a scale from 1 - 6 (1=below expectations and 6=above expectations). We received a 5.2 overall rating in 2001 and have consistently received "above expectation" ratings since the start of the program in the early 1990s. Along with the survey, we send out a booklet to all victims of structure fires that provides pertinent information and resources regarding damage recovery, cleanup, and record replacement, etc.
- We have developed several training initiatives that improve the skills and enhance the performance of our personnel. Through these initiatives, employees are better managed and more committed to excellence in their jobs. Investments such as our Captain's Orientation Program, Back to the Basics, Fire Equipment Operator Task Force, and our Competency Based Performance Evaluation Project enable our operations to be more productive and efficient, and they reduce errors.
- We have implemented the Risk Watch injury prevention curriculum for children in preschool through grade eight. This program covers the eight most dangerous risk areas - motor vehicle safety, fires and burns, poisons, falls, firearms, choking/strangulation/suffocation, bike/pedestrian issues, and water safety. Risk Watch involves the community, school and home in teaching children how to avoid injury risks and stay safe.
- In partnership with the mayor's office, through numerous community events, we continue to market Saint Paul as a safe and exciting city.

### 2003 Priorities

- Provide an appropriate and efficient EMS delivery system by implementing different levels of response according to the degree of emergency call, and match resource with need.
- Support a culture of innovations to improve internal and external customer service.
- Provide for the continued well being of our personnel through the analysis of injury data and the use of that data to target injury prevention training. Develop an incentive program to reinvest savings from injury prevention into fire safety equipment.
- With regulatory agencies continually changing mandates, the department will collaborate with other agencies (public or private) to financially implement changes while maintaining safe staffing levels.
- To more effectively deploy its resources to control costs and increase financial self-sufficiency, Fire Prevention will focus resources on high priority target property issues.
- Provide a safer community through planning, partnerships, and programs based upon analysis of fire, injury, and inspection data. This will be accomplished through improved coordination and communication between fire suppression and fire prevention personnel. The department will also expedite enforcement, increase compliance, and deter repeat offenses.
- Institute a competency based performance evaluation process for all Fire and Safety Services personnel to ensure that individuals are successful in the workplace.
- Continually improve our recruiting efforts and increase our diversity by targeting groups that will reflect the community we serve.
- Implement a Trauma Intervention Program (TIP) using volunteers from within the community as a resource to assist trauma victims regardless if they are residents or visitors to our city.
- Continue to focus on our labor-management process, promoting a cooperative team approach.
- Because response times of both fire suppression and emergency medical services have a direct impact on lives and property in Saint Paul, we will continue to collect and analyze data and, if necessary, adjust response protocols and/or procedures accordingly to achieve our goal of reduced response times that are well below the national average.

## Fire and Safety Services

DEPARTMENT/OFFICE DIRECTOR: TIM FULLER

	2000 2ND PRIOR EXP & ENC *	2001 LAST YEAR EXP & ENC *	2002 ADOPTED BUDGET	2003 MAYOR'S PROPOSED	2003 COUNCIL ADOPTED	ADOPTED MAYOR'S PROPOSED	CHANGE FROM 2002 ADOPTED
<b>SPENDING APPROPRIATIONS</b>							
001 GENERAL FUND	35,670,832	37,470,394	38,454,578	41,141,848	41,143,912	2,064	2,689,334
505 EQUIPMENT SERVICES FIRE-POLICE	2,066,704	2,068,966	2,210,632	2,244,885	2,244,885		34,253
510 FIRE RESPONSIVE SERVICES	9,015	58,650	123,270	43,550	43,550		79,720-
735 FIRE FIGHTING EQUIPMENT	264,662	122,313	398,514	542,199	542,199		143,685
736 FIRE PROTECTION CLOTHING	218,302	185,871	229,573	229,573	229,573		
<b>TOTAL SPENDING BY UNIT</b>	<b>38,229,515</b>	<b>39,906,194</b>	<b>41,416,567</b>	<b>44,202,055</b>	<b>44,204,119</b>	<b>2,064</b>	<b>2,787,552</b>
<b>SPENDING BY MAJOR OBJECT</b>							
SALARIES	26,437,949	27,430,712	28,184,552	29,198,938	29,198,938		1,014,386
EMPLOYER FRINGE BENEFITS	7,119,324	7,097,109	8,003,198	8,722,174	8,722,174		718,976
SERVICES	1,253,252	1,411,676	1,450,675	2,225,045	2,227,109	2,064	776,434
MATERIALS AND SUPPLIES	2,513,797	2,729,578	2,482,027	2,587,490	2,587,490		105,463
MISC TRANSFER CONTINGENCY ETC	190,258	233,977	253,808	563,713	563,713		309,905
DEBT							
STREET SEWER BRIDGE ETC IMPROVEMENT							
EQUIPMENT LAND AND BUILDINGS	714,935	1,003,142	1,042,307	904,695	904,695		137,612-
<b>TOTAL SPENDING BY OBJECT</b>	<b>38,229,515</b>	<b>39,906,194</b>	<b>41,416,567</b>	<b>44,202,055</b>	<b>44,204,119</b>	<b>2,064</b>	<b>2,787,552</b>
		4.4 %	3.8 %	6.7 %			6.7 %
<b>FINANCING BY MAJOR OBJECT</b>							
GENERAL FUND	35,670,832	37,470,394	38,454,578	41,141,848	41,143,912	2,064	2,689,334
SPECIAL FUNDS							
TAXES							
LICENSES AND PERMITS							
INTERGOVERNMENTAL REVENUE			56,653				56,653-
FEES, SALES AND SERVICES	2,378,921	2,979,093	2,741,009	2,744,826	2,744,826		3,817
ENTERPRISE AND UTILITY REVENUE	1,074						
MISCELLANEOUS REVENUE	145,336	75,691	30,000	43,200	43,200		13,200
TRANSFERS	149,657	232,998	252,640	229,573	229,573		23,067-
FUND BALANCES			118,313-	42,608	42,608		160,921
<b>TOTAL FINANCING BY OBJECT</b>	<b>38,345,820</b>	<b>40,758,176</b>	<b>41,416,567</b>	<b>44,202,055</b>	<b>44,204,119</b>	<b>2,064</b>	<b>2,787,552</b>
		6.3 %	1.6 %	6.7 %			6.7 %

# Budget Explanation

## Major Changes in Spending and Financing

### Creating the 2003 Budget Base

The 2002 adopted budget was adjusted to set the base for the year 2003. The department budget was increased for the anticipated growth in 2003 for salaries and fringes, but it was also decreased by \$50,000 in both spending and financing to adjust for “one time” revenue recapture paramedic fee collections. A \$23,067 transfer to the special fund for a grant match, was deleted. In addition, a spending cap was imposed on the department’s general fund budget to limit the growth of government spending and to avoid an increase to the city’s property tax.

### Department Proposals

The Department of Fire and Safety Services submitted a request that met the imposed spending cap, which included a reduction target of \$433,297, by offering a proposal to restructure the department. The department exceeded the base revenue by \$624,000 (\$574,000 compared to 2002) by recognizing additional paramedic fee revenue. Elements of the restructuring included the following:

- Changing the district response areas and decommissioning two fire companies.
- Personnel reductions of one assistant chief, eight captains, eight fire equipment operators and three arson investigators. Personnel additions of one clerk typist III, one chief fire investigator, eight firefighters, and one EMS coordinator. Net changes were nine fewer FTEs.
- The department requested \$493,244 in above base requests, and asked that additional paramedic revenues be used to offset these costs.

### Mayor’s Recommendations

In preparing the 2003 proposed budget, the mayor recommended accepting the department proposals contained in the submitted budget, with these exceptions,

- recognizing an additional \$1,650,00 in paramedic revenue. \$350,000 is from an increase in paramedic transport fees from \$823 to \$870, which is the metro average. Another \$300,000 will come from new fees for “treat no transport” and vehicle extrication. One million dollars reflects a change in the way paramedic revenues are collected. This is an estimate of the amount that will be needed. Fees paid to the paramedic fee billing agency will be offset with corresponding revenues, so this does not have an impact on the property tax levy.
- recognizing \$113,000 from an increase in Certificate of Occupancy (C of O) fees, which must be approved by ordinance. C of O fees have not increased since 1995. This will help to cover costs of C of O inspections, which have risen in the past seven years.
- undoing most elements of the department’s restructuring proposal, including restoring most firefighting FTEs to make them the same as in the 2002 budget.
- adding \$92,489 associated with a new position for an emergency management deputy. The cost of this is offset with the loss of an assistant chief position, which the department proposed as part of their restructuring proposal.
- restoring overtime required by bargaining unit contract for district chief overtime to the same amount as the 2002 budget.
- restoring a resignation and retirement adjustment to the 2002 budget level.
- reducing capital outlay by \$250,000. The department will bring to the city council a budget amendment to purchase this equipment in 2002.
- adding \$68,000 in a mayor’s contingency object code for potential expenses of putting on a firefighter test in 2003.
- adding amounts for various over-base requests for items such as medical supplies, police radio shop charges, etc. (\$89,382).

### Council Actions

The city council adopted the Fire and Safety Services Department’s budget and recommendations as proposed by the mayor, and approved the following changes recommended by the mayor:

- adding \$2,074 due to shifting funds from the exempt property budget for the Ramsey County waste management service fee.

**PROUD TRADITIONS****FOCUS ON THE FUTURE****FIRE PROTECTION DISTRICTS**

District 1	
Station 14	111 N. Snelling
	Engine/Medic 14
	Rescue/Hazardous-
	Materials Squad 2
Station 19	2530 Edgcombe
	Engine/Medic 19
	Rescue Boat 19
Station 20	2179 University
	Engine 20
	Ladder 20
Station 23	1926 Como
	Engine/Medic 23
	Engine 13
District 2	
Station 1	296 W. Seventh
	Engine 1
Station 5	860 Ashland
	Engine 5
Station 6	33 Concord
	Engine/Medic 6
	Engine 15
	Rescue Boat 15
	Hovercraft 15
Station 8	100 E. Eleventh
	Engine 8
	Ladder 8
	Arson Van
	Public Education Van
Station 10	754 Randolph
	Engine/Medic 10
	Ladder 10
Station 18	681 University
	Engine/Medic 18
	Ladder 18
Station 22	225 Front
	Engine/Medic 22
	Ladder 22

District 3	
Station 4	505 Payne
	Engine/Medic 4
	Rescue/Hazardous-
	Materials Squad 1
Station 7	1038 Ross
	Engine 7
	Ladder 7
Station 9	1624 E. Maryland
	Engine/Medic 9
	Rescue Boat 9
Station 17	1226 Payne
	Engine/Medic 17
Station 24	273 White Bear
	Engine/Medic 24
	Ladder 24

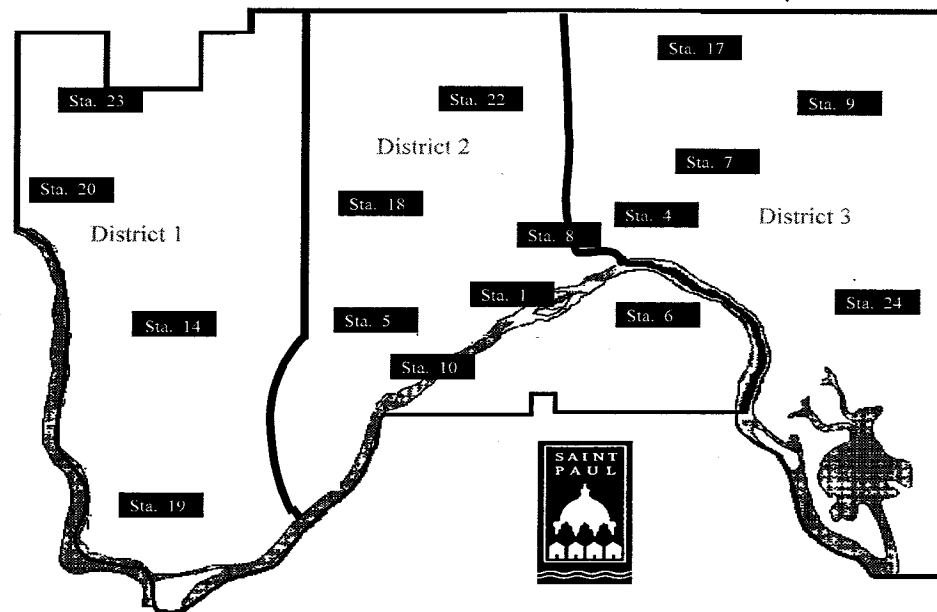
**DEPARTMENT OF FIRE & SAFETY SERVICES**

Providing emergency fire/disaster/medical & life-safety services for:

287,151	Residents
124,026	Housing Units
	(57,592 single-family units)
	(13,588 duplex units)
	(52,846 multi-family units)
5,110	Commercial Properties
55.4	Square Miles
\$9,937,898,400	Real Estate Value
162,000	Estimated Landings & Takeoffs at the
	Downtown Airport
61	Miles Main Line Railway
17.9	Miles Interstate Highway
23.5	Miles Mississippi River Waterway
5 million	Visitors (approximate)

**2001 Average Response Times:**

4 minutes, 13 seconds	Response Times to Fire Calls
4 minutes, 20 seconds	Response Times to Medic Calls
4 minutes, 17 seconds	Overall Department Average Response Time



# **General Government Accounts**

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## **Mission Statement**

To budget for services provided on a citywide basis and not directly associated with an operating department or office.

## Strategic Plan Accomplishments and 2003 Priorities

### Major Accomplishments

- The Charter Commission has worked on analysis and preparation of alternative redistricting proposals.
- The process for distribution of city funds to non profit city organizations has been conducted equitably according to city council policies.
- Working with the city's labor union representatives, city staff have managed the financial control of the costs related to city employee fringe benefits, including pensions, insurance, workers' compensation and severance pay.
- Projects have been selected for the 2002 Innovations Program, and implementation of those projects is now underway.
- The audit of the city's 2001 financial records is complete, and the annual financial report has been prepared, printed and distributed.
- Tort claims levied against the city and approved by the city council have been managed, and claimants paid.
- The city's interests and share of costs for the operation of city hall, including security issues in the aftermath of 9/11/01, have been managed.
- The citizen participation program and the neighborhood crime prevention programs were funded.

### 2003 Priorities

- The city council staff manage the Civic Organization Partnership program and the budget for the Charter Commission.
- The City Attorney's Office oversees the Tort Liability budget and administers any use of law firms and expert legal service outside of the city attorney staff.
- The Citizen Services Office is responsible for the elections budget.
- The Office of Financial Services works with the budgets for pensions, severance pay, state auditor, the contribution to the capital budget, the Capital Improvement Budget committee, financial forms, employee parking, and refunds.
- The Real Estate Division of the Department of Technology and Management Services deals with exempt and forfeited property assessments and the service and operations of the city hall building.
- The Risk Management Division of the Department of Technology and Management Services leads the citywide effort to control the costs associated with workers compensation, employee and retiree health insurance, torts, and unemployment compensation.
- The Planning and Economic Development staff directs the budget for Citizen Participation and the Neighborhood Crime Prevention program.

## General Government Accounts

DEPARTMENT/OFFICE DIRECTOR: MATT SMITH

	2000 2ND PRIOR EXP & ENC *	2001 LAST YEAR EXP & ENC *	2002 ADOPTED BUDGET	2003 MAYOR'S PROPOSED	2003 COUNCIL ADOPTED	ADOPTED MAYOR'S PROPOSED	CHANGE FROM 2002 ADOPTED
<u>SPENDING APPROPRIATIONS</u>							
001 GENERAL FUND	15,065,028	8,974,471	7,691,674	7,021,607	7,195,012	173,405	496,662-
TOTAL SPENDING BY UNIT	15,065,028	8,974,471	7,691,674	7,021,607	7,195,012	173,405	496,662-
<u>SPENDING BY MAJOR OBJECT</u>							
SALARIES	595,523	254,123	80,715	83,157	83,157		2,442
EMPLOYER FRINGE BENEFITS	396,125-	24,106-	23,631	24,403	24,403		772
SERVICES	2,649,277	2,624,910	3,038,960	2,605,227	2,605,227		433,733-
MATERIALS AND SUPPLIES	336,820	188,878	18,384	18,524	18,524		140
MISC TRANSFER CONTINGENCY ETC	3,143,301	3,850,389	4,391,687	4,036,764	4,210,169	173,405	181,518-
DEBT	8,633,536	2,012,963					
STREET SEWER BRIDGE ETC IMPROVEMENT							
EQUIPMENT LAND AND BUILDINGS	102,696	67,314	138,297	253,532	253,532		115,235
TOTAL SPENDING BY OBJECT	15,065,028	8,974,471	7,691,674	7,021,607	7,195,012	173,405	496,662-
		40.4-%	14.3-%	8.7-%	2.5 %	2.5 %	6.5-%
<u>FINANCING BY MAJOR OBJECT</u>							
GENERAL FUND	15,065,028	8,974,471	7,691,674	7,021,607	7,195,012	173,405	496,662-
SPECIAL FUNDS							
TAXES							
LICENSES AND PERMITS							
INTERGOVERNMENTAL REVENUE							
FEES, SALES AND SERVICES	16,805	1,250					
ENTERPRISE AND UTILITY REVENUE							
MISCELLANEOUS REVENUE		24,417					
TRANSFERS							
FUND BALANCES							
TOTAL FINANCING BY OBJECT	15,081,833	9,000,138	7,691,674	7,021,607	7,195,012	173,405	496,662-
		40.3-%	14.5-%	8.7-%	2.5 %	2.5 %	6.5-%

## Budget Explanation

### Major Changes in Spending and Financing

#### Creating the 2003 Budget Base

The 2002 adopted budget was adjusted to set the base for the year 2003. The budget was increased for the anticipated growth in 2003 for salaries and fringes for staff related to the bargaining process. Employee benefit cost increases were projected and then considered in the process that distributes those total costs to the city departments' budgets through the budget system using the "fringe rate" process. The specified contingent reserve was reduced to remove one-time 2002 projects. The annual increase in the elections contract with Ramsey County was included in the base. Adjustments were made to the 2002 estimates for financing for pension aids to bring them to an expected 2003 level. Funding for the one time 2002 Innovations Program was removed. Finally, a spending cap was imposed on the general government accounts to limit the growth of government spending and to avoid an increase to the city's property tax.

#### Proposals

To meet base spending, budget proposals were crafted to decrease spending, reduce services, and reflect other miscellaneous cuts to meet the spending cap. Some notable changes include:

- adjusting the exempt and forfeited property assessments budgets below base,
- reflecting increases in the state auditors' rates,
- covering the increase in local bus fares associated with the city employee MetroPass program, and
- modifying the municipal memberships budget for some minor increases in dues.

#### Mayor's Recommendations

In preparing the 2003 proposed budget, the mayor recommended accepting the proposals contained in the submitted budget, with this exception:

- reimbursing Ramsey County for the city share of some 2002 building renovations.

#### City Council Actions

The city council adopted the General Government Accounts budget and recommendations as proposed by the mayor, and approved the following changes recommended by the mayor:

- making the recommended technical changes revising financing estimates for interest earnings,
- approving the recommended technical change to move the spending authority related to Ramsey County waste management fees from the general government accounts to department budgets,
- increasing the use of fund balance financing to offset the recommended

technical changes,

- revising financing estimates for parking fines collections and hotel motel tax collections, and
- moving the spending authority for two programs (SMRLS form Human Rights and SPARL from Planning and Economic Development) into the Civic Organization Partnership Program,

The city council made these further changes:

- placing funding for one half of the increase earmarked for community events and city promotions and funding for a recreation center director into specified contingency in the general government accounts,
- revising the Community Development Block Grant financing related to the 2002 Civic Organization Partnership Program (COPP), and adding one time general fund dollars to fund city council selected COPP programs,
- changing the city-wide estimate of retiree insurance costs, and
- adjusting the use of the general fund fund balance to fully finance the city council's changes and decisions and balance the budget.

Note on Contingency: funding placed into specified contingency has been included in the budget, but the city council has not given any authority that it can be spent. The administration can take no action to spend these funds without authority from the city council. Spending authority may be given by the city council through an adopted resolution, once it has been initiated and recommended by the mayor (city charter, section 10.07.4).



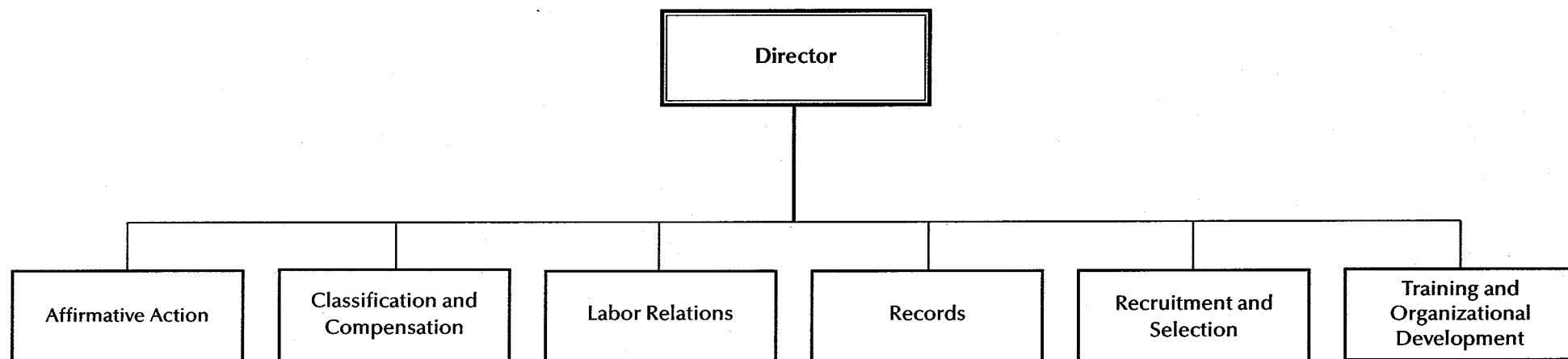
# Office of Human Resources

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## **Mission Statement**

Providing the city with effective and efficient Human Resources services and expertise.

## Human Resources



## Strategic Plan Accomplishments and 2003 Priorities

### Major Accomplishments

#### Affirmative Action

- Designed and completed an assessment of each department's compliance with the city's EEO Plan.
- Completed recommendations to amend the city's civil service rules to minimize adverse impact on protected class applicants.
- Recruited over 2,300 protected class applicants for employment opportunities.

#### Human Resources

- Began the merger of Labor Relations, Affirmative Action and Human Resources.
- Completed police and fire multiple entry level hiring without litigation.
- Successfully planned and implemented competency-based human resource systems for five departments and offices.
- Developed and implemented succession and workforce plans.
- Conducted and implemented organizational redesign strategies.
- Planned specially customized supervisory and customer service training and development interventions for Public Works; Financial Services; and License, Inspections, and Environmental Protection.
- Developed and implemented future-oriented strategic planning interventions with Water; Public Health; Financial Services; and License, Inspections, and Environmental Protection.
- Provided executive coaching for city directors and managers.
- Consulted with departments and offices on performance management.
- Worked with departments in strengthening their leadership teams.

#### Labor Relations

- Achieved a significant reduction in the lag time between contract expiration and newly negotiated contract implementation from 10 months to 4.6 months.
- Completed all contracts for the 2001-2002 round of bargaining prior to the beginning of the 2002-2003 round.

### 2003 Priorities

- Increase protected class hiring.
- Complete workforce availability analysis using new census data.
- Assist city departments with the development and implementation of affirmative action plans using new workforce availability data.
- Reorganize and coordinate workplace conduct procedures and investigations with city departments.
- Provide expert support to the various reorganization initiatives being pursued by the mayor's office.
- Successfully merge the Offices of Human Resources, Labor Relations and Affirmative Action.
- Facilitate efforts to enhance responsiveness of the hiring system.
- Explore systems improvements and investments to decrease manual processes.
- Increase focus on providing day-to-day assistance to managers and supervisors including re-designed website and increased training.
- Offer the entry-level fire fighter examination in 2003.
- Timely completion of collective bargaining agreements within the city's financial parameters.
- Partner with city departments to further develop effective initiatives to increase diversity within city employment.
- Partner with city departments to carry out and/or coordinate affirmative action investigations.

## Human Resources

DEPARTMENT/OFFICE DIRECTOR: ANGELA NALEZNY

	2000 2ND PRIOR EXP & ENC *	2001 LAST YEAR EXP & ENC *	2002 ADOPTED BUDGET	2003 MAYOR'S PROPOSED	2003 COUNCIL ADOPTED	ADOPTED CHANGE FROM MAYOR'S 2002 PROPOSED ADOPTED
<b>SPENDING APPROPRIATIONS</b>						
001 GENERAL FUND	2,886,642	2,802,599	2,901,887	2,895,086	2,895,086	6,801-
TOTAL SPENDING BY UNIT	2,886,642	2,802,599	2,901,887	2,895,086	2,895,086	6,801-
<b>SPENDING BY MAJOR OBJECT</b>						
SALARIES	1,789,721	1,800,402	1,857,651	1,703,127	1,748,959	45,832
EMPLOYER FRINGE BENEFITS	545,869	528,982	565,638	521,503	535,505	14,002
SERVICES	440,465	398,382	416,510	440,234	440,234	23,724
MATERIALS AND SUPPLIES	105,351	74,172	48,888	46,888	46,888	2,000-
MISC TRANSFER CONTINGENCY ETC	39	661	7,200	177,334	117,500	59,834-
DEBT						
STREET SEWER BRIDGE ETC IMPROVEMENT						
EQUIPMENT LAND AND BUILDINGS	5,197		6,000	6,000	6,000	
TOTAL SPENDING BY OBJECT	2,886,642	2,802,599	2,901,887	2,895,086	2,895,086	6,801-
		2.9-%	3.5 %	.2-%		.2-%
<b>FINANCING BY MAJOR OBJECT</b>						
GENERAL FUND	2,886,642	2,802,599	2,901,887	2,895,086	2,895,086	6,801-
SPECIAL FUNDS						
TAXES						
LICENSES AND PERMITS						
INTERGOVERNMENTAL REVENUE						
FEES, SALES AND SERVICES						
ENTERPRISE AND UTILITY REVENUE						
MISCELLANEOUS REVENUE						
TRANSFERS						
FUND BALANCES						
TOTAL FINANCING BY OBJECT	2,886,642	2,802,599	2,901,887	2,895,086	2,895,086	6,801-
		2.9-%	3.5 %	.2-%		.2-%

# Budget Explanation

## Major Changes in Spending and Financing

### Creating the 2003 Budget Base

The 2002 adopted budget was adjusted to set the base for the year 2003. The budget was increased for the anticipated growth in 2003 for salaries and fringes for staff related to the bargaining process. A small amount of 2002 one-time unemployment compensation was removed. Finally, a spending cap was imposed on the general government accounts to limit the growth of government spending and to avoid an increase to the city's property tax.

### Office Proposals

The 2002 adopted budget was adjusted to meet the base for the year 2003. To meet the required reductions, dollars needed to be removed from budgeted spending accounts.

During late 2001 and early 2002, nine vacant staff positions have been left unfilled. Much of the salary savings from those positions has been forfeited for budget cuts, but the remaining savings has been redistributed in the 2003 budget to provide for promotions to replace retiring or departing senior staff. Due to the incumbent's retirement, the assistant director position is not included in the 2003 budget. Funds have been budgeted in 2003 to allow for the hiring of a temporary clerk for the 2003 firefighter examination as well as the filling of two human resource specialist I positions as replacements for retiring or departed employees. These vacancies need to be filled to begin developing expertise at the entry staff levels of the office.

A variety of adjustments have been made to the nonpersonnel budget codes for 2003. These changes were done to allow for accurate accounting of expenses. Increased funds were provided for leased computers to allow the office to fully participate in the PC replacement program. Additional funds were also budgeted to account for costs associated with 2003 firefighter examination. A small amount of seed money was also budgeted for a consultant to address IS/automation issues and system conversion.

The labor relations director position was eliminated. Portions of the savings from this position were redistributed to provide for promotions among the remaining four staff members in labor relations. Funds have also been budgeted to allow for the hiring of a new entry-level professional as a replacement for the director. A five person labor relations function is necessary in order to provide timely completion of 25 labor contracts every two years. All other savings from the elimination of the labor relations director position were transferred to the activity budget for human resources.

Human resources management requested above base funding to add 2.2 FTEs in

2003 to the affirmative action function. The request will help to:

1. partner with city departments to develop and implement their affirmative action Plans and coordinate Workplace Conduct Investigations.
2. review and correct current and future examinations with bias and defective questions or scoring criteria.
3. design and successfully complete an assessment of each city department's compliance with the city's equal employment opportunity plan.
4. develop and implement EEO compliance work plan with city departments.

The above base proposals calls for bringing the current affirmative action clerk typist to full-time and adding two new full-time human resource specialists.

Human resources management also proposed an above-base productivity request for the funds necessary to replace the existing HUMRES system.

### Mayor's Recommendations

In preparing the 2003 proposed budget, the mayor recommended accepting the office proposals contained in the submitted budget, with these exceptions:

- shifting some funding to the Department of Planning and Economic Development to staff a new position created in that department's business development function to improve the city's efforts in helping minority-, female- and person with disability-owned businesses to establish themselves, do business with the city and prosper,
- eliminate the funding for one entry level human resource position,
- place the funding for one entry level human resource position into contingency,
- adjusting the funding for a staff consultant position shared with Ramsey County Public Health, and
- allowing a portion of the above the base request for funding for a .2 FTE in affirmative action, but not funding the balance of the above base requests.

The proposed 2003 budget will also reflect the action taken in 2002 to combine the functions of human resources, affirmative action, and labor relations into one office.

### City Council Actions

The city council adopted the Human Resources budget and recommendations as proposed by the mayor, and approved the following change recommended by the mayor:

- releasing the contingency applied by the mayor on funding related to a staff position, and
- combining the functions and budget of human resources, affirmative action, and labor relations into one office.

## Miscellaneous

### Office of Human Resources Overview

The Office of Human Resources is currently organized into five teams:

#### Recruitment and Selection -

Assist city departments in recruitment and planning their staffing needs.  
Develop and administer recruitment and selection processes. Approve and monitor citywide temporary appointments.

#### Classification and Compensation -

Maintain accurate descriptions of classifications in the city classified service.  
Determine appropriate classification and compensation of positions in the city.  
Restructure job duties; provide research, analysis and strategy development; coordinate data collection on physical requirements; and monitor city's pay equity act compliance.

#### Training and Organizational Development -

Work with departments and offices in redesigning organizations, restructuring jobs, enhancing team and leadership effectiveness, solving problems, addressing performance management issues, and developing long-term strategic plans for such issues as succession and workforce development, organizational development, and system or organizational redesign.

#### Records -

Maintain records which validate the service of employees, provide information and interpret personnel policies and rules, audit payroll documents to ensure accuracy and compliance with personnel policies.

#### Labor Relations -

Responsible for administering and negotiating over 25 city labor contracts. The team also resolves grievances and consults on contract issues.

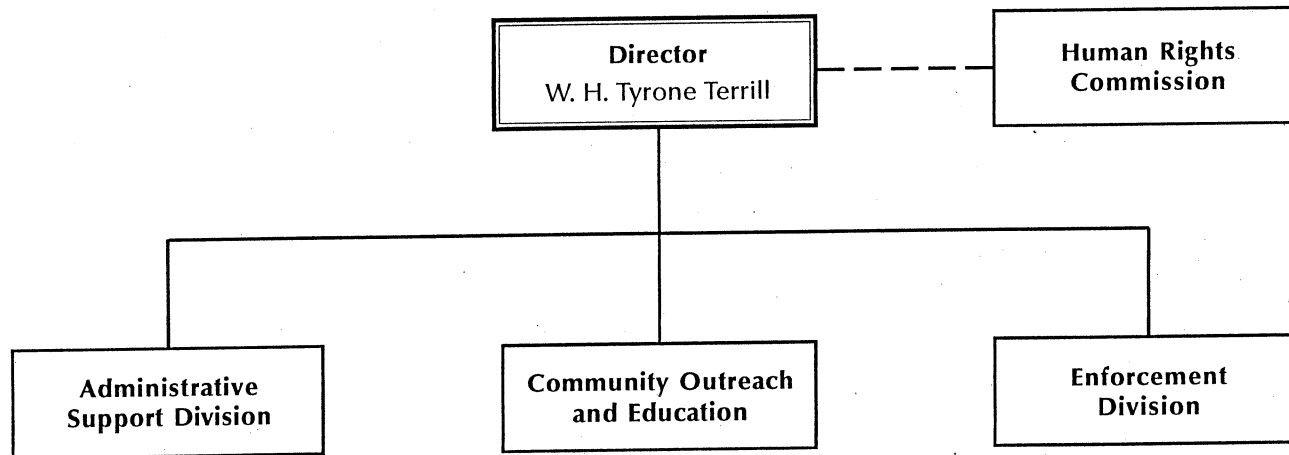
# Human Rights

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## **Mission Statement**

To prevent and eliminate discrimination by: enforcing the provisions of Chapter 183 of the Saint Paul Legislative Code (Human Rights Ordinance) and its rules governing affirmative requirements in employment; providing educational and training opportunities that enable recipients to create equitable living and working environments; and facilitating collaborations with and between individuals, agencies, and organizations to maximize community resources toward prevention and elimination of prejudice, racism and discrimination.

# Human Rights





## Strategic Plan Accomplishments and 2003 Priorities

### Major Accomplishments

- Fair Housing Project - Conducted five pair-testing scenarios from housing complaints; surveyed and monitored Saint Paul rental listings for fair housing compliance in renting and Section 8.
- Peace community gathering countering the KKK rally at the Capital at Central High School. Approximately 300-500 community members attended.
- In partnership with the Saint Paul Council of Churches, hosted a Hate/Bias Train-the-Trainer workshop at House of Hope Presbyterian Church.
- In partnership with Martin Luther King/Hally Q. Brown Community Center, hosted a Hate/Bias Train-the-Trainer workshop.
- In partnership with former Mayor Coleman and Chief W. Finney, established a 24-hour hot line for reporting hate-bias crimes and providing resource information to victims of hate crimes.
- Facilitated five public hearings within various city wards on issues of racial profiling.
- Created three outreach partnerships with various Saint Paul Somali and Muslim communities.

### 2003 Priorities

- Fair Housing Project - Pair-testing, surveying and monitoring of banks and lending institutions on best practices and fair lending practices; Pair-testing, surveying and monitoring of problem rental properties; Outreach and education.
- Hate-Bias Incident Response Team Network - Stop Hate! Preventive education and outreach
- Hate-Bias Incident Response Team Network - Stop Hate! Collaborative partnerships for on-site intakes at respective community based organizations

## Human Rights

DEPARTMENT/OFFICE DIRECTOR: TYRONE TERRILL

	2000 2ND PRIOR EXP & ENC *	2001 LAST YEAR EXP & ENC *	2002 ADOPTED BUDGET	2003 MAYOR'S PROPOSED	2003 COUNCIL ADOPTED	ADOPTED MAYOR'S PROPOSED	CHANGE FROM 2002 ADOPTED
<hr/>							
<b>SPENDING APPROPRIATIONS</b>							
001 GENERAL FUND	724,458	838,384	912,186	791,360	782,610	8,750-	129,576-
050 SPECIAL PROJECTS:GEN GOV ACCTS FU	56,716	68,388	70,922	74,059	47,809	26,250-	23,113-
<b>TOTAL SPENDING BY UNIT</b>	<b>781,174</b>	<b>906,772</b>	<b>983,108</b>	<b>865,419</b>	<b>830,419</b>	<b>35,000-</b>	<b>152,689-</b>
<hr/>							
<b>SPENDING BY MAJOR OBJECT</b>							
SALARIES	519,232	597,357	636,048	568,164	568,164		67,884-
EMPLOYER FRINGE BENEFITS	158,517	176,997	193,669	178,574	178,574		15,095-
SERVICES	87,066	112,544	142,975	109,781	74,781	35,000-	68,194-
MATERIALS AND SUPPLIES	7,425	13,552	8,916	7,400	7,400		1,516-
MISC TRANSFER CONTINGENCY ETC	8,934	1,044	1,500	1,500	1,500		
DEBT							
STREET SEWER BRIDGE ETC IMPROVEMENT							
EQUIPMENT LAND AND BUILDINGS		5,278					
<b>TOTAL SPENDING BY OBJECT</b>	<b>781,174</b>	<b>906,772</b>	<b>983,108</b>	<b>865,419</b>	<b>830,419</b>	<b>35,000-</b>	<b>152,689-</b>
		16.1 %	8.4 %	12.0-%	4.0-%	4.0-%	15.5-%
<hr/>							
<b>FINANCING BY MAJOR OBJECT</b>							
GENERAL FUND	724,458	838,384	912,186	791,360	782,610	8,750-	129,576-
SPECIAL FUNDS							
TAXES							
LICENSES AND PERMITS							
INTERGOVERNMENTAL REVENUE	36,000	39,000	30,000	31,200	31,200		1,200
FEES, SALES AND SERVICES	473						
ENTERPRISE AND UTILITY REVENUE		5,000					
MISCELLANEOUS REVENUE							
TRANSFERS	35,000	27,000	27,000	26,250		26,250-	27,000-
FUND BALANCES			13,922	16,609	16,609		2,687
<b>TOTAL FINANCING BY OBJECT</b>	<b>795,931</b>	<b>909,384</b>	<b>983,108</b>	<b>865,419</b>	<b>830,419</b>	<b>35,000-</b>	<b>152,689-</b>
		14.3 %	8.1 %	12.0-%	4.0-%	4.0-%	15.5-%

## **Budget Explanation**

### **Major Changes in Spending and Financing**

#### **Creating the 2003 Budget Base**

The 2002 adopted budget was adjusted to set the base for the year 2003. Salary and fringe benefits were increased for the anticipated growth due to the bargaining process. A spending cap was imposed on the department's adjusted general fund budget to limit the growth of government spending and to avoid an increase to the city's property tax.

There were no major changes in financing. Major spending changes were:

- Transferring the .5 FTE Vendor Outreach Program staff to Technology and Management Services-Contracts and Analysis Services
- Eliminating the Deputy Director position

The mayor mandated both changes in July 2002.

### **Department Proposals**

The department did not make any above-base requests for its general fund appropriation.

### **Mayor's Recommendations**

The mayor recommends accepting the department's submitted budget.

### **Council Actions**

The city council adopted the Human Rights budget with one change. The council transferred a \$35,000 contract with a non-profit organization (\$8,750 in general fund spending and \$26,250 in special fund spending) to the Citizen Opportunity Participation Program budget as part of an effort to consolidate funding for various non-profit organizations.

## Miscellaneous

### Complaint Investigation/Enforcement

It is public policy of the city, as established in Chapter 183 of the Legislative Code, to foster equal opportunity for all to obtain employment, education, real property, public accommodations, public services, contract and franchise without regard to their race, creed, religion, sex, sexual or affectional orientation, color, national origin, ancestry, familial status, age, disability, marital status or status with regard to public assistance, and strictly in accord with their individual merits as human beings. The department receives and investigates complaints from citizens who believe they have been discriminated against or treated in a manner that violates public policy.

During 2001 the unit handled over 1,250 complaints from citizens that alleged discriminatory treatment. The unit accepted 135 complaints for full investigation.

### Equal Employment Opportunity/Affirmative Action Contract Enforcement

The city requires that every contractor, who enters a contractual agreement to do business with the city, be an equal opportunity employer. To this end, contractors and companies should engage in and carry out affirmative action programs to assist protected class persons to become successful participants in the work force.

Every contractor, who enters into a contract or agreement with the city to provide goods or services and whose aggregate contracts total \$50,000 or more during the proceeding twelve months, must develop and submit for review and approval by the Human Rights Department, their company's written affirmative action program.

Employment goals to address underutilization of women and minority workers are set for each construction project. The General Contractor for each project must make "good faith efforts" to achieve the utilization goals. The department also monitors supply/service contractors' "good faith efforts" to recruit, hire, promote and retain qualified women and minorities in all levels of employment.

### Elimination And Prevention

In 2003, the Department of Human Rights will continue its outreach and education efforts. It will continue to engage in activities designed to prevent and eliminate prejudice, racism and discrimination, and acts of violence and bias. The dissemination of linguistically and culturally appropriate materials, hosting of workshops and the further implementation of the "Prejudice Isn't Welcome" campaign to educate citizens of the city on issues of prejudice, racism and discrimination will contribute to making our city safer for all its constituents.

The department will also implement marketing and outreach strategies to educate all our diverse communities on how to better access the services provided by the department. The following are marketing and outreach strategies for 2003:

- Giving the department greater visibility within community events by attending at least 100 community events, forums and/or meetings.
- Conduct a minimum of 10 public hearings to gather information on issues of discrimination and racism most relevant to community.
- Execute a department marketing and public relations campaign explaining how to access the services provided by the department.
- Work along with the Saint Paul Public Schools to eliminate prejudice, racism and discrimination in the schools by hosting 25 educational sessions at various schools in the District.
- Liaison with the business community to create employment opportunities for women and minorities

### Hate/bias Response Plan

The Department of Human Rights and the Human Rights Commission developed a Hate/Bias Response Plan in 1998. The department and commission are currently working with community groups to implement the Plan to reduce hate/bias incidents and crimes in the city by creating a citywide network to counter hate/bias incidents by providing support and solidarity to victims of hate/bias incidents and to send a clear message that the community of Saint Paul will not tolerate expressions of hate or bias towards any member of the community.

### The Fair Housing Project

The Department of Human Rights, the Human Rights Commission, the Minneapolis Civil Rights Office and the State Department of Human Rights in November 2000 joined efforts in creating, training and recruiting a pool of pair-testers to assist each office in surveying and monitoring problem rental properties, banks and lending institutions.

Please contact the Department of Human Rights at 651-266-8966 for information on participating in any of department educational, outreach or pair-testing programs.

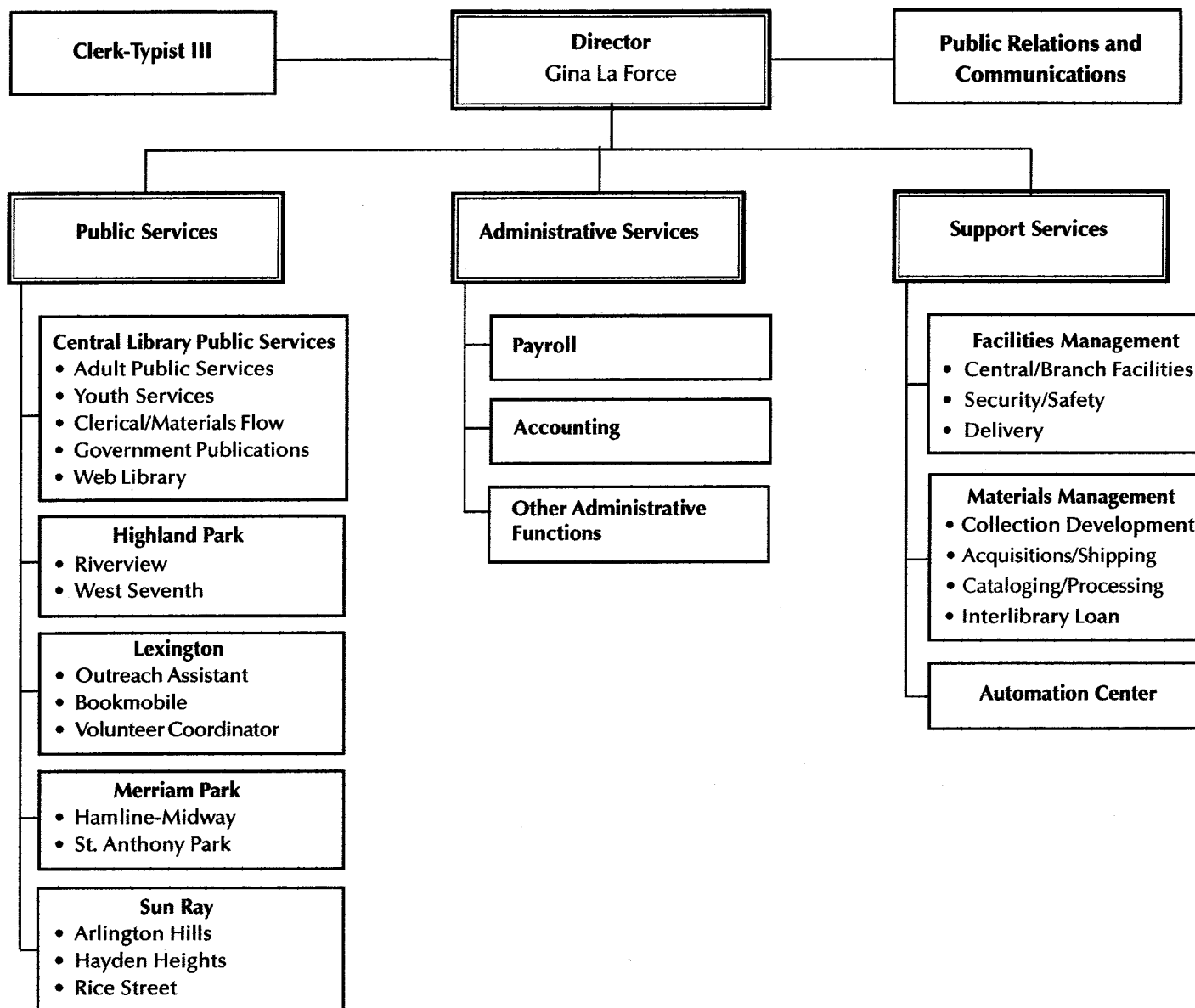
# Public Libraries

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## **Mission Statement**

The mission of the Saint Paul Public library is to anticipate and respond to the community's need for information; to facilitate lifelong learning; to stimulate and nurture a desire to read in young people; to provide reading materials to meet the interests of all ages; and to enrich the quality of life in the community.

# Libraries



## Strategic Plan Accomplishments and 2003 Priorities

### Major Accomplishments

Equip staff with the tools, skills, and knowledge they need to fulfill their changing role as information providers, resource navigators and partners in life-long learning.

- Redesign performance management system.
- Redeploy staff to provide cost-efficient service.
- Establish more consistent training for new staff members.

Adapt and promote library service to support literacy and education services for Saint Paul residents.

- Introduced a prototype of a Homework Center at the Lexington Outreach Branch.
- Created the system's first public computer training lab at the new Rice Street Branch.
- Developed and promoted collections in all formats to meet needs of Saint Paul residents.
- Developed "Mayor Kelly's Raises Readers" program.
- Partners in Mayor Kelly's Education Initiative.
- Through grant funding, provided on-site reading support in at risk schools during the summer.
- Expanded reference service through email and expanded website.
- Developed multilingual "Welcome" brochures in six languages.

Create and expand mutually beneficial relationships with James J. Hill Reference Library, Ramsey County Library, and the Metropolitan Service Area (MELSA).

- James J. Hill Reference Library: A joint Saint Paul Public Library and Hill Reference task force are exploring how the two organizations can work together strategically to provide better service for the public.
- Ramsey County Library: Formed a high-level task force to investigate cooperative cost reductions and improve library service to residents of the city and the county.
- MELSA: Under the umbrella of MELSA, we are seeking ways to expand and enhance services through cooperative efforts with other MELSA partners, e.g., Ramsey County Library and Saint Paul Public Library are developing a prototype of an online database to track staff training and development for both systems. This will enable us to collaborate on programs which will strive to eliminate redundancies and capitalize on each of our strengths.

### 2003 Priorities

- Implement new performance management system.
- Expand the training program which was developed for Central staff in 2002, to the branch staff.
- With outside funding, expand the Homework Center program to three additional branches.
- Expand Read-to-Me Program through use of additional VISTA workers.
- In partnership with St. Catherine's, create a "Teaching Library," specifically recruiting students from diverse ethnic backgrounds.
- Continue strong partnership with the Mayor's Education Initiative, Ramsey County Library, James J. Hill Reference Library, and MELSA.
- Technology: Explore use of radio frequency identification and other technological innovations to maintain and/or enhance our technology standards.
- Explore feasibility of contracting with a collection agency to recover lost materials, fines and fees.
- Hire consultant to analyze our technical services program in order to ensure high standards of productivity and cost effectiveness.

### Mayor's Priorities: 2002 State of the City Address

The Saint Paul Public Library program supports the following priorities:

- Education Initiative
- Reorganization of governmental services
- Fiscal responsibility
- Expansion of the role of higher education

## Libraries

DEPARTMENT/OFFICE DIRECTOR: GINA LA FORCE

	2000 2ND PRIOR EXP & ENC *	2001 LAST YEAR EXP & ENC *	2002 ADOPTED BUDGET	2003 MAYOR'S PROPOSED	2003 COUNCIL ADOPTED	ADOPTED MAYOR'S PROPOSED	CHANGE FROM 2002 ADOPTED
<hr/>							
<b>SPENDING APPROPRIATIONS</b>							
001 GENERAL FUND	10,163,543	10,526,116	11,151,280	11,443,684	11,548,871	105,187	397,591
349 LIBRARY SPECIAL REVENUE FUND	213,014	126,601	235,000	235,000	235,000		
350 LIBRARY AIDS & GRANTS FUND	1,225,724	888,297	999,771	883,016	983,016	100,000	16,755-
363 RELLA HAVENS MEMORIAL TRUST FUND	19,926	16	22,753	23,545	23,545		792
	<hr/>						
TOTAL SPENDING BY UNIT	11,622,207	11,541,030	12,408,804	12,585,245	12,790,432	205,187	381,628
	<hr/>						
<b>SPENDING BY MAJOR OBJECT</b>							
SALARIES	6,444,862	6,350,112	6,983,136	7,235,546	7,235,546		252,410
EMPLOYER FRINGE BENEFITS	1,976,679	1,889,010	2,124,313	2,203,889	2,203,889		79,576
SERVICES	846,813	661,553	741,732	691,453	696,640	5,187	45,092-
MATERIALS AND SUPPLIES	1,816,748	2,402,889	2,222,947	2,127,681	2,227,681	100,000	4,734
MISC TRANSFER CONTINGENCY ETC	14,814	10,472	313,875	303,875	403,875	100,000	90,000
DEBT							
STREET SEWER BRIDGE ETC IMPROVEMENT							
EQUIPMENT LAND AND BUILDINGS	522,291	226,994	22,801	22,801	22,801		
	<hr/>						
TOTAL SPENDING BY OBJECT	11,622,207	11,541,030	12,408,804	12,585,245	12,790,432	205,187	381,628
	<hr/>						
		.7-%	7.5 %	1.4 %	1.6 %	1.6 %	3.1 %
<hr/>							
<b>FINANCING BY MAJOR OBJECT</b>							
GENERAL FUND	10,163,543	10,526,116	11,151,280	11,443,684	11,548,871	105,187	397,591
SPECIAL FUNDS							
TAXES							
LICENSES AND PERMITS							
INTERGOVERNMENTAL REVENUE	89,288	208,354	71,250	71,250	71,250		
FEES, SALES AND SERVICES	64,877	41,756	36,850	36,850	36,850		
ENTERPRISE AND UTILITY REVENUE							
MISCELLANEOUS REVENUE	1,223,956	1,285,066	839,424	733,461	733,461		105,963-
TRANSFERS	21,119		310,000	300,000	400,000	100,000	90,000
FUND BALANCES							
	<hr/>						
TOTAL FINANCING BY OBJECT	11,562,783	12,061,292	12,408,804	12,585,245	12,790,432	205,187	381,628
	<hr/>						
		4.3 %	2.9 %	1.4 %	1.6 %	1.6 %	3.1 %



## Budget Explanation

### Major Changes in Spending and Financing

#### Creating the 2003 Budget Base

The 2002 adopted budget was adjusted to set the base for the year 2003. Salary and fringe benefits were increased for the anticipated growth due to the bargaining process. A spending cap was imposed on the division's adjusted general fund budget to limit the growth of government spending and to avoid an increase to the city's property tax. In addition, the Library base budget was decreased by \$300,000 for the "one-time" match of the Friends of the Library contribution for library materials.

#### Division Proposals

To meet the 2003 base budget, the Library will cut an FTE due to the closing of the Skyway Branch in September of 2002. Additional cuts to service include closing the Riverview and Hayden Heights Branches on Sundays, small branches one morning a week, and the six large branches on Sundays in the summer.

In order to eliminate the staff leaves-vacancies budgeted in 2002 and have the Central Library operate at full staff, the Skyway rent budget of \$55,700 was removed.

The Library has also reallocated funds within its budget to change five FTEs of part-time clerical staff to full-time positions. It is anticipated that this will reduce the workload involved in keeping these high turnover positions filled. It will also reduce the amount of time spent on performance reviews, training etc. An increase of \$10,288 was added to the building insurance budget.

#### Mayor's Recommendations

In preparing the 2003 proposed budget, the mayor recommended accepting the division proposals contained in the submitted budget, with these exceptions,

- restore hours at Riverview and Hayden Heights Branches on Sundays, small branches one morning a week, and the six large branches on Sundays in the summer (\$92,962).
- add \$300,000 to leverage a \$100,000 contribution from the Friends of the Library for materials. This exceeds the 2 to 3 ratio that has been used in recent years.
- add \$45,000 for security services at the Central Library.

#### Council Actions

The city council adopted the Libraries budget and recommendations as proposed by the mayor, and approved the following changes:

- adding \$5,187 due to shifting funds from the exempt property budget for the Ramsey County waste management service fee.
- adding a \$100,000 general fund transfer to activity 33422 to replace a \$100,000 gap in the Friends' contribution for library materials.



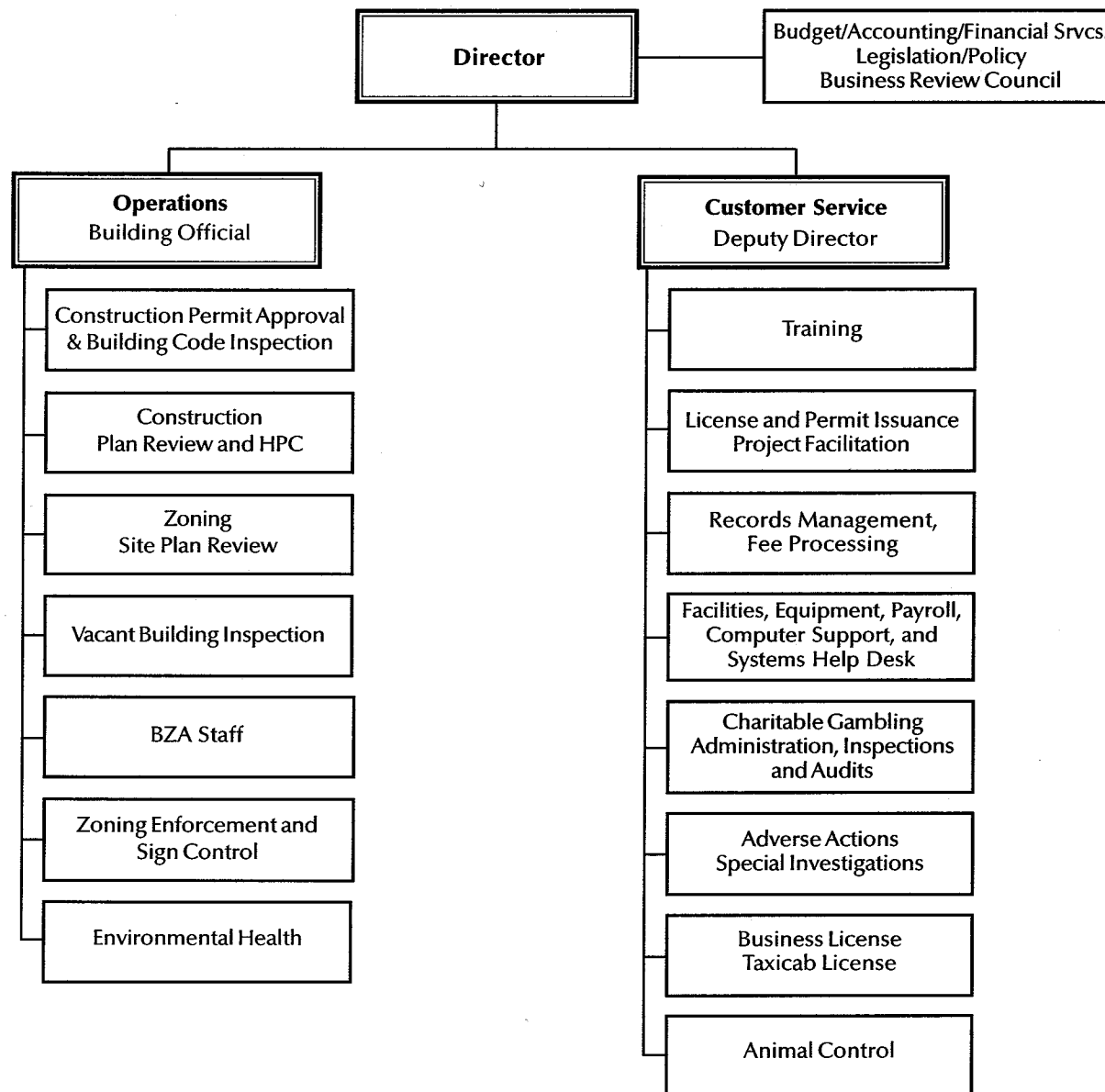
# **Office of License, Inspection and Environmental Protection**

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## **Mission Statement**

To set a standard of excellence as a dynamic and innovative organization that ensures public health and safety and consistently exceeds customer expectations.

## License, Inspection, and Environmental Protection



## Strategic Plan Accomplishments and 2003 Priorities

### Major Accomplishments

- Expanded the availability of permits available on the Internet to include licenses that do not require city council approval. These included alarm permits and dog licenses.
- Automated the field inspection process for sheetmetal inspectors by providing them with handheld computers.
- Provided city employees with the ability to access and use geographically orientated data. This application has been integrated with the websites for LIEP, and both the city and Ramsey County.
- Created reports to track number of inspections by discipline (i.e., mechanical, electrical, building, plumbing), number of inspections per inspection period, and elapsed time of an inspection including time for plan review and number of days to resolve complaints. LIEP also produced trends for types of permits taken out and inspections which includes online permits, revenues collected, website hits, and GIS use.
- Completed recording locations of all signs and billboards with the use of a global positioning system unit.
- Developed and implemented customer surveys on the internet.

### 2003 Priorities

- Work toward full implementation of the city-state delegation agreement for grocery store inspections and the billboard sign programs in AMANDA.
- Public Safety: LIEP placed a police officer in the Gambling Enforcement Program, helping to assure that charitable gambling proceeds go to help nonprofits.
- Continue noise monitoring at the Gopher State Ethanol Plant, as well as work to eliminate several nuisance businesses in an effort to make Saint Paul a more liveable city.
- Housing: Work with home builders, other departments and the public to assure that the Mayor's housing initiative is accomplished. Assist those unfamiliar with the process by providing initial meetings with project facilitators.
- Improve the timeliness of elevator inspections and work to ensure that inspections are self-supporting.
- Pursue office relocation to a city owned facility.
- Marketing: Increase visibility by marketing our Internet services at home builder and contractor trade shows and meetings, through aggressive use of neighborhood newspapers and the city's cable channel.
- Provide an internship experience to help students gain the solid footing they will need before entering the job market.
- Work with Human Resources to assure that our workforce reflects the diversity of the city's population.
- Technology: Expand the ECLIPS system to track processes related to gambling enforcement; upgrade the AMANDA software; migrate the GIS to the Internet; update and enhance the existing LIEP website so that all required content is available to all city staff as well as citizens; and add the remaining eligible permits to the Internet.

## License, Inspection and Environmental Protection

DEPARTMENT/OFFICE DIRECTOR: ROGER CURTIS

	2000 2ND PRIOR EXP & ENC *	2001 LAST YEAR EXP & ENC *	2002 ADOPTED BUDGET	2003 MAYOR'S PROPOSED	2003 COUNCIL ADOPTED	ADOPTED MAYOR'S PROPOSED	CHANGE FROM 2002 ADOPTED
<b>SPENDING APPROPRIATIONS</b>							
001 GENERAL FUND	1,277,282	1,383,024	1,343,642	1,315,955	1,267,186	48,769-	76,456-
167 CHARITABLE GAMBLING ENFORCEMENT	298,520	317,385	390,000	426,983	426,983		36,983
320 LICENSE INSPECTIONS & ENV PROTECT	7,561,141	8,256,427	8,776,848	9,155,018	9,199,179	44,161	422,331
<b>TOTAL SPENDING BY UNIT</b>	<b>9,136,943</b>	<b>9,956,836</b>	<b>10,510,490</b>	<b>10,897,956</b>	<b>10,893,348</b>	<b>4,608-</b>	<b>382,858</b>
<b>SPENDING BY MAJOR OBJECT</b>							
SALARIES	5,370,518	5,813,206	6,138,040	6,536,204	6,574,855	38,651	436,815
EMPLOYER FRINGE BENEFITS	1,862,291	1,990,343	2,125,544	2,275,232	2,287,767	12,535	162,223
SERVICES	1,284,365	1,424,918	1,467,802	1,561,032	1,506,743	54,289-	38,941
MATERIALS AND SUPPLIES	189,237	283,792	489,409	371,510	370,005	1,505-	119,404-
MISC TRANSFER CONTINGENCY ETC	378,831	375,535	237,407	84,890	84,890		152,517-
DEBT							
STREET SEWER BRIDGE ETC IMPROVEMENT							
EQUIPMENT LAND AND BUILDINGS	51,701	69,042	52,288	69,088	69,088		16,800
<b>TOTAL SPENDING BY OBJECT</b>	<b>9,136,943</b>	<b>9,956,836</b>	<b>10,510,490</b>	<b>10,897,956</b>	<b>10,893,348</b>	<b>4,608-</b>	<b>382,858</b>
		9.0 %	5.6 %	3.7 %			3.6 %
<b>FINANCING BY MAJOR OBJECT</b>							
GENERAL FUND	1,277,282	1,383,024	1,343,642	1,315,955	1,267,186	48,769-	76,456-
SPECIAL FUNDS							
TAXES							
LICENSES AND PERMITS	6,901,720	6,684,530	7,449,010	8,473,604	8,473,604		1,024,594
INTERGOVERNMENTAL REVENUE							
FEES, SALES AND SERVICES	856,567	869,151	1,049,000	1,049,000	1,049,000		
ENTERPRISE AND UTILITY REVENUE							
MISCELLANEOUS REVENUE	32,596	60,114	34,000	34,000	34,000		
TRANSFERS	500	1,250		1,000	1,000		1,000
FUND BALANCES			634,838	24,397	68,558	44,161	566,280-
<b>TOTAL FINANCING BY OBJECT</b>	<b>9,068,665</b>	<b>8,998,069</b>	<b>10,510,490</b>	<b>10,897,956</b>	<b>10,893,348</b>	<b>4,608-</b>	<b>382,858</b>
		.8-%	16.8 %	3.7 %			3.6 %

## **Budget Explanation**

### **Major Changes in Spending and Financing**

#### **Creating the 2003 Budget Base**

The 2002 adopted budget was adjusted to set the base for the year 2003. The budget was increased for the anticipated growth in salaries and fringe benefits related to the bargaining process. Finally, a spending cap was imposed on the office's adjusted general fund budget to limit the growth of government spending and to avoid an increase to the city's property tax.

#### **Department Proposals**

The office's 2003 general fund budget was submitted meeting the base amount established. The office was able to meet this base amount as a result of salary savings, due to staff turnover, as well as a shift in staff costs to the special fund. The result was an additional decrease of \$54,771 to the office's general fund budget. Revenue estimates submitted reflected a reduction of \$5,254 in business license revenue which was less than the established base amount. The submitted budget also includes additional funding for a police office in the Gambling Enforcement Fund.

#### **Mayor's Recommendations**

In preparing the 2003 proposed budget, the mayor accepted the office's proposals contained in the submitted budget, with these exceptions,

- add \$83,728 for an additional elevator inspector to provide for a smooth transition resulting from an anticipated retirement
- include \$62,793 additional funding for a Historic Preservation Specialist.
- provide funding for an additional .5 FTE to provide desktop support; and
- increase various license and permit fees to cover costs but cap increases at 25%.

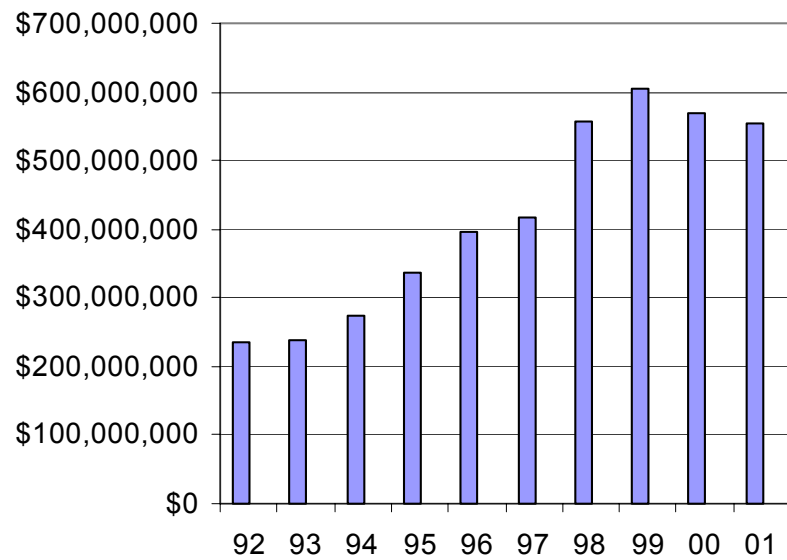
#### **Council Actions**

The City Council adopted the License, Inspection and Environmental Protection office budget and recommendations as proposed by the Mayor, and approved the following changes recommended by the Mayor:

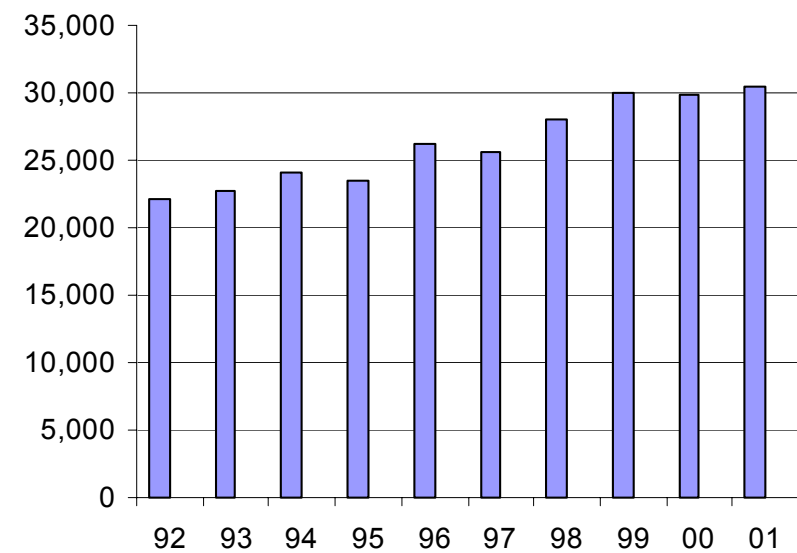
- adding funding to support a GIS developer position which included shifting general fund expenditures to the department's special fund.

**Construction in Saint Paul  
1992 through 2001**

**Construction Valuation in Saint Paul  
1992-2001**



**Number of Permits Issued  
1992-2001**





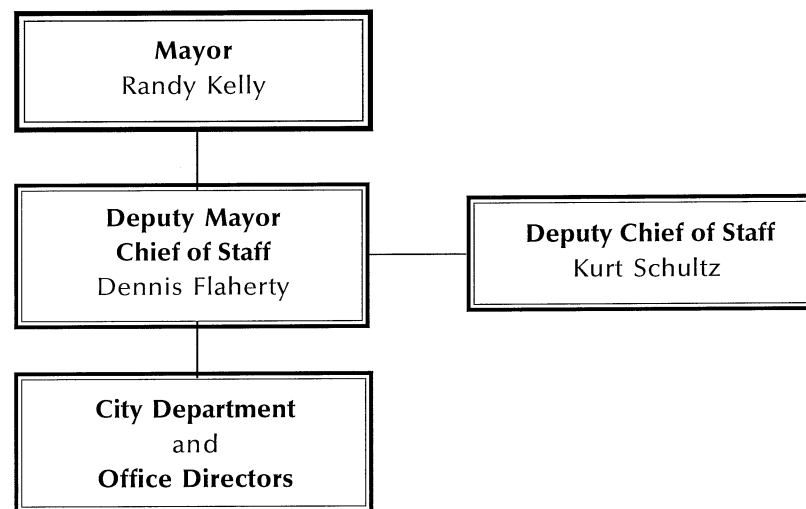
# Mayor's Office

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## Mission Statement

To direct the operation of the city and promote the interests of its citizens and its businesses.

## Mayor's Office



## Strategic Plan Accomplishments and 2003 Priorities

### Major Accomplishments

- **Summit on Cultural Relations:** During my campaign for mayor, I pledged to call together a gathering of our community to discuss challenges and opportunities related to our diversity. We held the summit in March, and a Task Force was established to create working strategies to meet the goals identified at the summit.
- **Fiscal Advisory Committee:** I appointed a Fiscal Advisory Committee to review all areas of city spending and make recommendations. Included within those recommendations are a freeze on hiring, restrictions on nonessential travel and a review of all nonrevenue-generating areas of city government. We are following many of the committee's recommendations in this budget, including no property tax increase.
- **Saint Paul Reads One Book:** We cooperated with Saint Paul Public Schools in this citywide program to encourage adults and young adults to read one book; developed events around the theme of the book to encourage discussion and interaction among adults and young people; and culminated in an event featuring Caroline Kennedy and presenting two essay contest winners with the Saint Paul Courage Award.
- **Saint Paul Conservatory for Performing Artists:** Received \$285,000 from the Gates Foundation for planning and development of a world-class professionally guided, academic and artistic institution to train aspiring pre-professional artists in the areas of instrumental and vocal music, theater, dance, and film and television production.
- **Faith Gathering:** In an effort to reach out to all community members to help in community building, the Administration has asked a large and diverse group of religious leaders to meet on a quarterly basis. The first meeting focused on critical housing issues in Saint Paul.

### 2003 Priorities

In my State of the City Address, I set the following citywide priorities:

- **Neighborhood Housing:** Build 5,000 units of housing in four years leveraging \$1 billion of investment from public and private sources, with at least 20 percent of the units affordable as consistent with city policy, and distributed through all wards of the city.
- **Public Safety:** Continue the commitment to city government's number one priority in providing public safety for all people. Re-create and improve the city's housing code enforcement services.
- **Riverfront Development:** Continue to focus on this key community asset in attracting corporate economic development, housing and job creation opportunities.
- **Reorganization of Government Services:** Reorganize, both internally and externally, to improve efficiency and effectiveness. Expand access to materials and services for our growing multi-cultural community.
- **Finance:** Continue to provide a balanced city budget, while adhering to a zero-percent increase in city property taxes. Consider new ways to generate revenues from user fees, assessments and other nontax related sources.
- **Marketing:** Create a strong, defining image of the city for who we are and what we do, sharing it with the state, the region, the nation and beyond.
- **Education:** The "Capital City Education Initiative: Accountability and Action for World Class Schools" focuses on five critical areas of education: school performance, reading, teachers, higher education, and technology
- **Arts and Culture:** Grow, expand, promote and develop our arts, culture and entertainment community throughout all of Saint Paul to transform our city in a way that has revitalized other great cities in our nation.

## Mayor's Office

DEPARTMENT/OFFICE DIRECTOR: DENNIS FLAHERTY

	2000 2ND PRIOR EXP & ENC *	2001 LAST YEAR EXP & ENC *	2002 ADOPTED BUDGET	2003 MAYOR'S PROPOSED	2003 COUNCIL ADOPTED	ADOPTED MAYOR'S PROPOSED	CHANGE FROM 2002 ADOPTED
<b>SPENDING APPROPRIATIONS</b>							
001 GENERAL FUND	1,230,850	1,333,531	1,336,044	1,485,136	1,382,816	102,320-	46,772
050 SPECIAL PROJECTS:GEN GOV ACCTS FU	511,581	12,896	20,000	20,000	20,000		
<b>TOTAL SPENDING BY UNIT</b>	<b>1,742,431</b>	<b>1,346,427</b>	<b>1,356,044</b>	<b>1,505,136</b>	<b>1,402,816</b>	<b>102,320-</b>	<b>46,772</b>
<b>SPENDING BY MAJOR OBJECT</b>							
SALARIES	834,044	837,805	891,995	999,774	931,945	67,829-	39,950
EMPLOYER FRINGE BENEFITS	255,737	246,216	267,948	301,761	284,270	17,491-	16,322
SERVICES	562,374	242,271	172,915	180,415	163,415	17,000-	9,500-
MATERIALS AND SUPPLIES	70,159	14,540	16,233	16,233	16,233		
MISC TRANSFER CONTINGENCY ETC	20,117	5,595	6,953	6,953	6,953		
DEBT							
STREET SEWER BRIDGE ETC IMPROVEMENT							
EQUIPMENT LAND AND BUILDINGS							
<b>TOTAL SPENDING BY OBJECT</b>	<b>1,742,431</b>	<b>1,346,427</b>	<b>1,356,044</b>	<b>1,505,136</b>	<b>1,402,816</b>	<b>102,320-</b>	<b>46,772</b>
		22.7-%	.7 %	11.0 %	6.8-%	6.8-%	3.4 %
<b>FINANCING BY MAJOR OBJECT</b>							
GENERAL FUND	1,230,850	1,333,531	1,336,044	1,485,136	1,382,816	102,320-	46,772
SPECIAL FUNDS							
TAXES							
LICENSES AND PERMITS							
INTERGOVERNMENTAL REVENUE							
FEES, SALES AND SERVICES	497,499						
ENTERPRISE AND UTILITY REVENUE							
MISCELLANEOUS REVENUE	14,000	12,890	20,000	20,000	20,000		
TRANSFERS							
FUND BALANCES							
<b>TOTAL FINANCING BY OBJECT</b>	<b>1,742,349</b>	<b>1,346,421</b>	<b>1,356,044</b>	<b>1,505,136</b>	<b>1,402,816</b>	<b>102,320-</b>	<b>46,772</b>
		22.7-%	.7 %	11.0 %	6.8-%	6.8-%	3.4 %

## **Budget Explanation**

### **Major Changes in Spending and Financing**

#### **Creating the 2003 Budget Base**

The 2002 adopted budget was adjusted to set the base for the year 2003. The Mayor's Office budget was increased for the anticipated growth in salaries and fringe benefits related to the bargaining process. Finally, a spending cap was imposed on the office's adjusted general fund budget to limit the growth of government spending and to avoid an increase to the city's property tax.

#### **Department Proposals**

The Mayor's Office 2003 general fund budget was submitted above the base amount to reflect the new administration staffing. All remaining projected expenses are consistent with last year's level of spending.

#### **Mayor's Recommendations**

In preparing the 2003 proposed budget, the mayor recommended accepting the department proposals contained in the submitted budget.

#### **Council Action**

The City Council adopted the Mayor's Office budget and recommendations as proposed by the Mayor, and approved the following changes recommended by the Mayor:

- reducing appropriations by \$102,320.

## Tax Dollars And The Services They Buy\*

### Look what less than a dollar a day can buy from city government!

Any citizen who pays property taxes wonders where the money goes. The pie chart shows how your tax dollars are at work in the community. Consider the property taxes on an average residential property (\$106,900) in Saint Paul. In 2003, the owner will pay about \$1,118 in property taxes (2002 school district referendum levy excluded.). Of that amount \$325, or just 29% of the total bill, will go to the City of Saint Paul. That's less than a dollar a day.

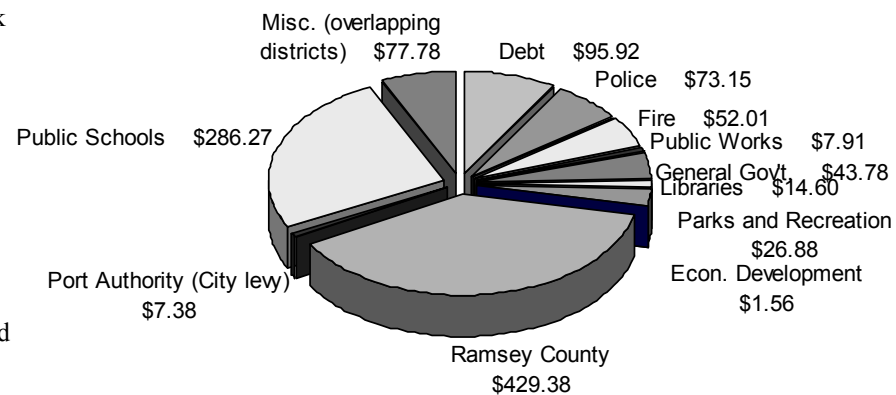
Police and Fire services receive two of the larger portions of your city property tax dollar. For \$73 annually, property taxpayers of an average-priced home are provided with 24-hour law enforcement protection. For \$52 a year, or \$.15 per day, they receive around-the-clock fire and medical response. In addition to their immediate response services, both departments offer invaluable education and prevention programs.

Just \$96 covers capital debt, the city's annual cost of repaying bonds that finance street construction, new libraries, recreation centers, children's play equipment and other capital improvements made over the last ten years.

\$27 goes to Parks and Recreation to provide a wide array of neighborhood recreational activities and to maintain and improve 42 recreation centers and 4,000+ acres of city park land.

For \$15, the Saint Paul Public Libraries offers taxpayers access to millions of books and other library resources at their neighborhood libraries.

Estimated 2003 Saint Paul Property Taxes  
Truth in Taxation Rates Applied to a Typical Home Valued at \$106,900



Certified Tax Levies	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Net City Tax Levy	65,283,382	65,008,382	64,358,298	62,736,749	62,393,263	62,393,263	62,393,263	62,393,263	62,393,263	62,393,263
Port Authority Levy	<u>1,453,165</u>	<u>1,453,165</u>	<u>1,453,165</u>	<u>1,449,978</u>	<u>1,450,000</u>	<u>1,450,000</u>	<u>1,450,000</u>	<u>1,450,000</u>	<u>1,450,000</u>	<u>1,450,000</u>
Net Tax Levy	66,736,547	66,461,547	65,811,463	64,186,727	63,843,263	63,843,263	63,843,263	63,843,263	63,843,263	63,843,263

\* At the time this page was prepared for printing, data on payable 2003 was not yet available, so estimated figures for 2002 were used.

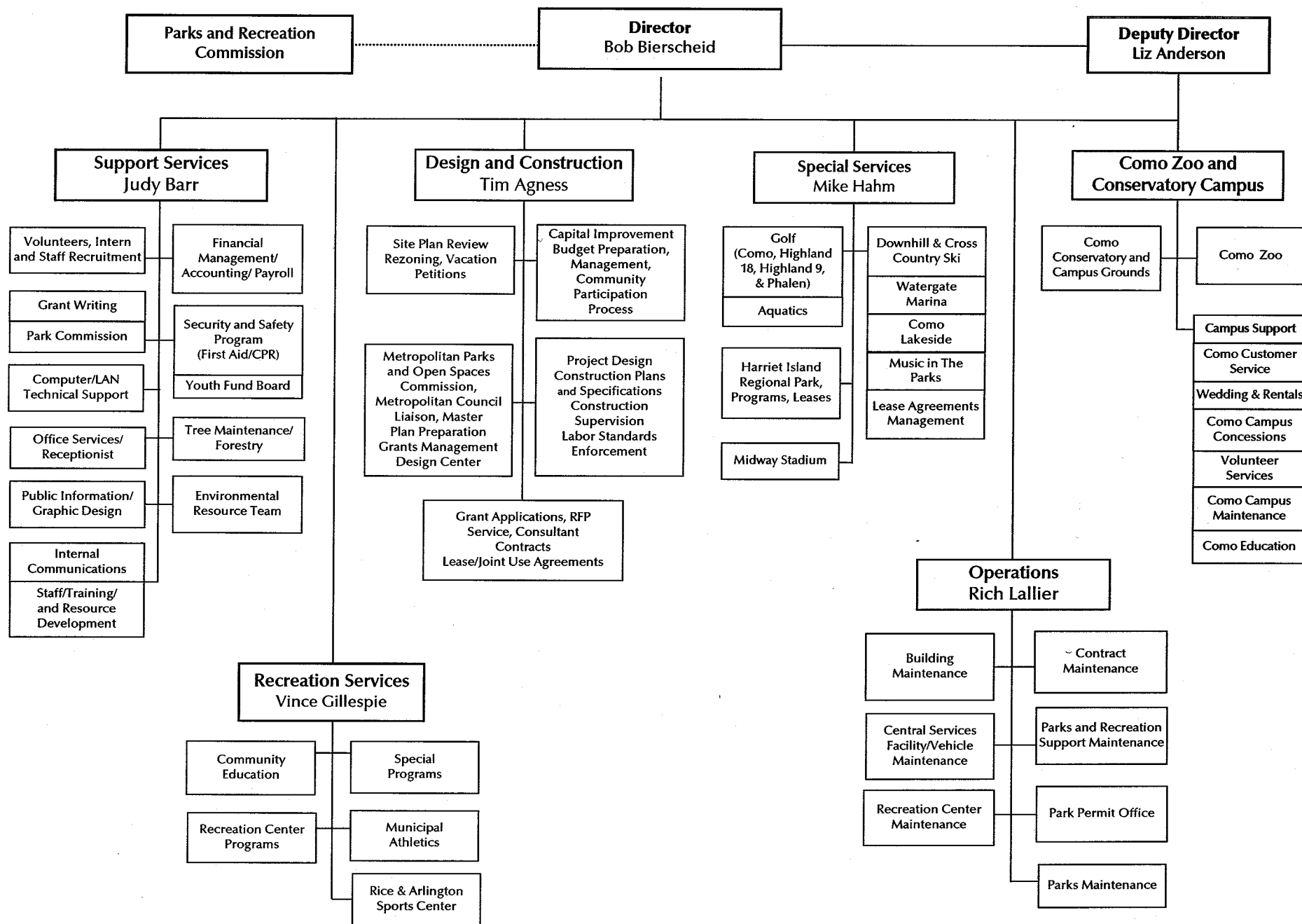
# **Parks and Recreation**

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## **Mission Statement**

To offer recreation opportunities the public wants and preserve the physical and natural resources of the parks and recreation system.

# Parks and Recreation





## Strategic Plan Accomplishments and 2003 Priorities

### Major Accomplishments

Physical improvements to the parks and recreation system continued throughout 2001, funded through a variety of sources.

#### Projects under construction or completed in 2001 include:

- **Harriet Island Regional Park:** Pedestrian Gateway and Target Stage.
- **Como Park:** Estabrook Drive, new parking area at the Como Zoo and Conservatory, new pedestrian overpass on Lexington Parkway, historic streetcar station restoration, Como education resource center phase one construction and renovation (animal support building and main zoological building), new Como lakeside plaza, new concession stand in the lower level of the Como lakeside pavilion.
- **McDonough Recreation Center:** two new soccer fields.
- **Phalen Recreation Center:** new building addition and remodeling.
- Children's playareas were replaced at College Park, Desnoyer Park, and Battle Creek, Eastview, Hayden Heights and Orchard recreation centers.

#### Environmental stewardship projects:

- **Phalen Lake Restoration:** A five year plan to restore the shoreline was developed with Ramsey-Washington County Watershed District. Phase One of the restoration was completed.
- Secured an \$80,000 federal grant to begin removing invasive plants and replant with native species within the parks system.
- Secured a federal grant to improve the natural integrity of the Saint Paul river bluffs and enhance river viewing opportunities.

**Off-Leash Dog Areas (OLDA)** was opened on a four and a half acre portion of Arlington-Arkwright Park and will be evaluated in the fall of 2002. A citizen group, Responsible Owners of Mannerly Pets (ROMP), advocated for the establishment of and raised funds for the dog park.

**Boulevard and other city trees:** The Forestry unit planted 1,936 trees and trimmed 17,265 trees which was an increase of five percent over 2000.

### 2003 Priorities

1. Initiate procedures to elevate the division of Parks and Recreation to national status.
2. Initiate process for a revised, updated division system plan.
3. Develop a division marketing plan.
4. Increase and improve the division's presence on the world wide web.
5. Develop a process for the reorganization of the recreation centers.
6. Develop branding contracts and sponsorship opportunities.
7. Establish a foundation.
8. Develop a cultural relations plan.
9. Provide community skateboard parks.
10. Beautify downtown Saint Paul through outdoor plantings.

DEPARTMENT/OFFICE DIRECTOR: BOB BIERSCHEID

**Parks and Recreation**

	2000 2ND PRIOR EXP & ENC *	2001 LAST YEAR EXP & ENC *	2002 ADOPTED BUDGET	2003 MAYOR'S PROPOSED	2003 COUNCIL ADOPTED	ADOPTED CHANGE FROM MAYOR'S PROPOSED	2002 ADOPTED
<b>SPENDING APPROPRIATIONS</b>							
001 GENERAL FUND	23,000,210	24,049,120	23,706,260	24,441,353	22,741,942	1,699,411-	964,318-
307 COMMUNITY EDUCATION PROGRAM	292,471	286,384	316,546	325,942	325,942		9,396
325 P&R SPECIAL SERVICES ENTERP FUND	5,998,952	5,760,284	6,192,632	6,233,990	6,233,990		41,358
326 RICE AND ARLINGTON SPORTS DOME	2,213,076	843,053	730,162	407,780	337,085	70,695-	393,077-
330 WATERGATE MARINA ENTERP FUND	60,573	6,777	6,000	7,550	7,550		1,550
334 MIDWAY STADIUM	389,599	384,219	410,268	423,363	423,363		13,095
361 JAPANESE GARDEN TRUST FUND	903	3,602	6,000	6,000	6,000		
365 PARKS & REC SPEC. PROJECTS FUND	1,145,349	1,223,340	1,417,106	1,443,681	1,443,681		26,575
370 PARKS & REC SUPPLY & MAINTENANCE	635,320	664,819	1,070,205	1,111,597	1,111,597		41,392
375 STREET TREE MAINTENANCE					1,800,000	1,800,000	1,800,000
380 COMO CAMPUS	18,988	1,268,206	1,379,251	1,536,960	1,536,960		157,709
388 TOWN SQUARE PARK FUND	140,549						
391 SPECIAL RECREATION FUND	35,680	39,308	140,901	99,301	99,301		41,600-
394 MUNICIPAL ATHLETIC ASSOCIATIONS'	436,638	403,905	358,465	314,375	385,070	70,695	26,605
398 RECREATION CENTER ENTERPRISE ACCT			198,910	100,000	100,000		98,910-
399 CHARITABLE GAMBLING DISTRIBUTIONS	84,949	97,054	74,000	74,000	74,000		
729 PARKS & REC PRIVATE DONATIONS FUN			41,264	10,000	10,000		31,264-
742 HILLER & LOIS HOFFMAN MEMORIAL			400	400	400		
860 PARKS & REC GRANT FUND	1,486,252	2,022,734	2,266,821	1,984,111	1,984,111		282,710-
<b>TOTAL SPENDING BY UNIT</b>	<b>35,939,509</b>	<b>37,052,805</b>	<b>38,315,191</b>	<b>38,520,403</b>	<b>38,620,992</b>	<b>100,589</b>	<b>305,801</b>
<b>SPENDING BY MAJOR OBJECT</b>							
SALARIES	17,666,790	18,781,075	19,744,207	19,785,999	19,820,101	34,102	75,894
EMPLOYER FRINGE BENEFITS	5,142,868	5,216,267	5,794,990	5,910,718	5,923,652	12,934	128,662
SERVICES	4,862,572	5,312,572	4,570,121	4,128,177	4,206,731	78,554	363,390-
MATERIALS AND SUPPLIES	4,300,944	4,575,201	4,420,096	4,208,152	4,208,151	1-	211,945-
MISC TRANSFER CONTINGENCY ETC	1,790,366	1,932,344	2,433,920	2,215,538	2,190,538	25,000-	243,382-
DEBT	340,562	339,712	338,893	337,085	337,085		1,808-
STREET SEWER BRIDGE ETC IMPROVEMENT	1,478,478	319,471	317,644	1,213,644	1,213,644		896,000
EQUIPMENT LAND AND BUILDINGS	356,929	576,163	695,320	721,090	721,090		25,770
<b>TOTAL SPENDING BY OBJECT</b>	<b>35,939,509</b>	<b>37,052,805</b>	<b>38,315,191</b>	<b>38,520,403</b>	<b>38,620,992</b>	<b>100,589</b>	<b>305,801</b>
		3.1 %	3.4 %	.5 %	.3 %	.3 %	.8 %
<b>FINANCING BY MAJOR OBJECT</b>							
GENERAL FUND	23,000,210	24,049,120	23,706,260	24,441,353	22,741,942	1,699,411-	964,318-
SPECIAL FUNDS							
TAXES			85,000				85,000-
LICENSES AND PERMITS							
INTERGOVERNMENTAL REVENUE	1,636,328	2,019,636	2,186,273	1,875,000	1,875,000		311,273-
FEES, SALES AND SERVICES	3,019,832	2,964,921	3,585,659	3,635,663	3,635,663		50,004
ENTERPRISE AND UTILITY REVENUE	7,139,199	6,931,818	7,007,963	5,820,946	5,820,946		1,187,017-
MISCELLANEOUS REVENUE	329,167	455,896	562,132	469,800	469,800		92,332-
TRANSFERS	2,324,772	1,809,279	1,218,951	2,175,600	3,975,600	1,800,000	2,756,649
FUND BALANCES			37,047-	102,041	102,041		139,088
<b>TOTAL FINANCING BY OBJECT</b>	<b>37,449,508</b>	<b>38,230,670</b>	<b>38,315,191</b>	<b>38,520,403</b>	<b>38,620,992</b>	<b>100,589</b>	<b>305,801</b>
		2.1 %	.2 %	.5 %	.3 %	.3 %	.8 %

## Budget Explanation

### Major Changes in Financing and Spending

#### Creating the 2003 Budget Base

The 2002 adopted budget was adjusted to set the base for the year 2003. The budget was increased by \$570,067 for the anticipated growth in salaries and fringe benefits related to the collective bargaining process. An additional \$92,441 was added for trades fringe benefits. And a spending reduction of \$291,825 was imposed on the division's general fund budget to limit the growth of government spending and to avoid an increase to the city's property tax.

#### Division Proposals

The division of Parks and Recreation's 2003 general fund budget request was submitted over the base by \$33,826 due to an increase in revenues of \$33,826.

In addition, various general fund spending reductions were necessary to meet the base budget:

- spending reduction of \$75,000 in the Design Center.
- spending reduction of \$19,008 in the division's vehicle rental codes.
- spending reduction of \$11,129 in travel budgets.
- spending reduction of \$34,929 as a result of converting the Parksworker title to the new Parksworker II title
- transfer of \$10,000 of fleet rental costs to the design section's special fund.
- elimination of the winter activities bright light-city nights program, resulting in the elimination of 1.8 full-time equivalent (FTE) positions and reducing the budget by \$155,959.
- elimination of the park gate closing, a 1.0 FTE Park Security Officer reduction, resulting in a \$33,000 spending reduction.
- reduce the number of skating rinks provided, using the geographical model, a spending reduction of \$25,000.
- reduce overtime spending by \$41,000 by restructuring the weekend supervisor's assignments.
- reduce the general fund transfer by \$20,000 to the Midway Stadium special fund due to increased parking revenues.
- reduce spending by \$15,000 by replacing a Recreation Center Director with a Assistant Recreation Center Director title within the special recreation programs.
- adjust the swim season to save \$10,000.
- close 3 part-time recreation centers and reduce hours at various recreation centers when service is not demanded by the public, reduced spending of \$93,030.

The department request for general fund financing includes the following changes:

- increased swimming admission fees in 2002 will generate an additional \$20,000 of revenue in 2003.

- increased permit fees will generate revenues of \$5,000.
- transfer of revenues from the supply and maintenance fund to support a new Management Assistant position in the general fund.

Major changes in the special fund budget request include:

- Rice and Arlington Sports Dome Fund 326 - closing of this facility results in the reduction of 2.9 FTEs and reduced revenues of \$384,554.
- Special Services Enterprise Fund 325 - closing of the Highland 18 golf course in order to renovate the course, build a large driving range facility, and resolve the ground water issues on the property will result in reduced revenues of \$825,590.

#### Mayor's Recommendations

In preparing the 2003 proposed budget, the mayor recommended accepting the department proposals contained in the submitted budget, with these exceptions:

- add funding for holiday lights for Boyd, Nathan Hale, and Sue park and look toward the neighborhoods and the downtown communities to continue the current level of holiday lights.
- add funding to remove the 2002 holiday lights.
- restore funding for the closing of park gates to ensure that safety is maintained throughout the park system.
- add \$41,000 to the Design Center to maintain the city's support of this initiative.
- restore funding for general skating rinks but look to the neighborhoods to keep the rinks flooded.
- add \$16,064 in order to implement the increased rate of pay approved in 2002 for the personnel working at the city's pools.
- add additional general fund support to fully fund the debt service for the Rice-Arlington Sports Dome.
- restore funding to keep three part-time recreation centers open in 2003.

#### City Council Actions

The city council adopted the Parks and Recreation budget and recommendations as proposed by the mayor, and approved the following changes recommended by the mayor:

- transfer funding for a Parks & Recreation Program Supervisor from one activity to another as the employee will be managed by a different supervisor in 2003. This results in a zero net change to the division budget.
- split the security and safety budgets, which were in one activity in 2002, into two separate activities for the 2003 budget. \$133,431 was allocated to the

## Budget Explanation (continued)

### City Council Actions (continued)

safety budget and \$74,382 was allocated to the security budget. This results in a zero net change to the division budget.

- \$44,932 was added to the safety budget for the new combined safety and bike coordinator position. This position was funded by eliminating the funding for a half-time security officer and expecting both the Department of Public Works and the Department of Planning and Economic Development to pay \$15,190 to support this position.
- \$43,554 was added to the division budget for the new waste management fee that is based on the volume of garbage generated and charged directly to the division's garbage bills. Prior to 2003, this fee was collected via the property tax system as a flat fee charged against each property parcel.
- \$1,800,000, representing the cost of providing tree trimming services for boulevard trees, was moved from the forestry general fund budgets and transferred to a new special fund as part of the new Right-of-Way program.
- transfer of the batting cage operations budget from the sports dome fund to the municipal athletics fund. This results in a zero net change to the division budget.

The city council made these further changes:

- add \$10,000 to hire a consultant to perform a study of the swimming pool operations.
- restore \$16,655 for the installation and maintenance of six hockey rinks at Baker, Dayton's Bluff, Desnoyer, Hazel Park, Linwood, and NW Como.





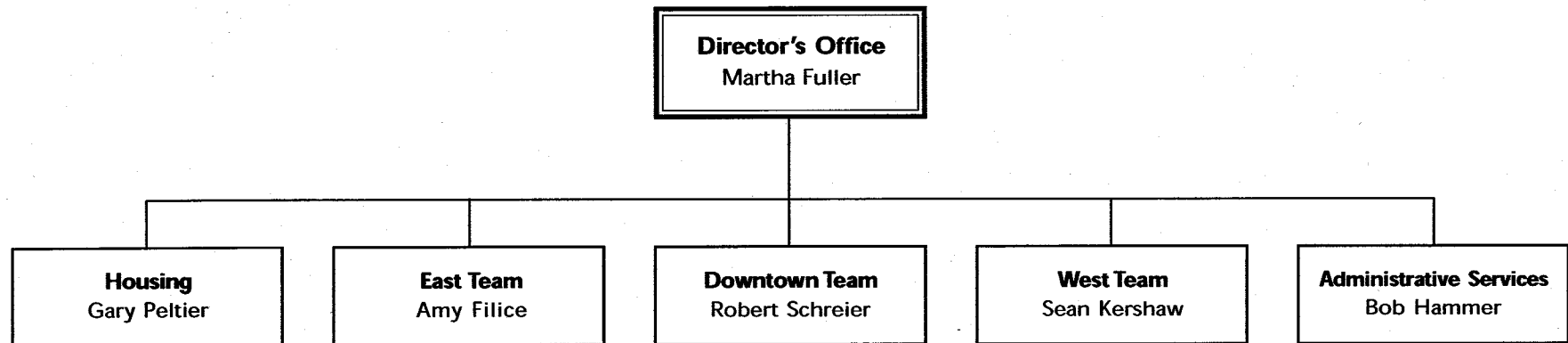
# Planning and Economic Development

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## **Mission Statement**

In partnership with our community, promote investment and increase value in Saint Paul's housing and economic development initiatives.

## Planning and Economic Development





## Strategic Plan Accomplishments and 2003 Priorities

### Major Accomplishments

PED is efficient at adapting and responding to the community's changing housing and economic development needs. PED's successes are seen in: new and rehabilitated housing units; new or retained jobs; business expansion, retention, and attraction, reclaimed brownfields; additional taxes generated; comprehensive planning for the future; and additional investment leveraged in our community.

In 2002, PED developed a process for the comprehensive listing of all housing activities, grouped by development, pre-development, and conceptual. The listing includes financing, time lines, partners, and responsible staff. The same listing has been completed for all neighborhood planning activities and all economic development initiatives. The result allows PED to provide timely, complete, and accurate information to policy makers and community partners and to better coordinate PED human and financial resources.

Additionally, PED created a Financial Resource Team responsible for tracking revenue streams and providing recommendations on financing alternatives for all PED/Housing Redevelopment Authority (HRA) programs and projects. This focus and coordination of staff allows PED to work more effectively, react quickly to outside initiatives, and provide the Director and elected officials with accurate information.

For the past year, PED truly has done more with less. Faced with more demands for assistance in every arena, the department staffing level has remained constant. And, with possibly the most challenging budget times in the department's 20+ year history, staff continually find innovative and creative ways to secure new financing, best use existing resources, and complete the activities important to the community's well being and growth.

Each of the above examples has reduced costs to the city by reducing the time needed to react and respond to outside requests, provide clear and accurate financial information, and follow the priorities that are consistent with those of the elected officials and community.

### 2003 Priorities

PED is making the adopted Housing Plan 5000 its top priority in 2003. PED will continue to improve its resource management strategies, secure additional housing and economic development financing with community partners, and streamline and simplify PED's contracting procedures.

#### Housing

The priority for 2003 is first-year production of new housing units within the city with at least 20% of the units affordable to households with incomes at or below 50% of the area median income. The new production target is 1,332 housing units.

#### Planning

Anticipated major accomplishments for the next year include:

- Completion of the Riverview Transit Corridor Station Area Plans
- Central Transit Corridor environmental impact statement and station area plans for University\Snelling and University\Lexington
- Downtown Planning Strategy
- Hillcrest Smart Growth Opportunities Strategy
- Arcade Street Commercial and Residential Small Area Plan
- Irving Avenue Zoning Study
- St. Thomas Expansion environmental assessment worksheet
- Methadone Clinic Zoning Study
- Remapping of Floodway Zoning Districts
- Parkland Zoning District Study
- Adoption of the new Urban Village Zoning Study
- Reformatting the Zoning Code

#### Economic Development

- Significantly expand the leverage of public funds for small business development
- Significantly increase the number of PED-facilitated small business loans
- Development focus on commercial corridors
- Overall improvements to the business climate in Saint Paul through new public\private\nonprofit partnerships and reduction in red tape and bureaucracy

## Planning and Economic Development

DEPARTMENT/OFFICE DIRECTOR: MARTHA FULLER

	2000 2ND PRIOR EXP & ENC *	2001 LAST YEAR EXP & ENC *	2002 ADOPTED BUDGET	2003 MAYOR'S PROPOSED	2003 COUNCIL ADOPTED	ADOPTED CHANGE FROM MAYOR'S PROPOSED	2002 ADOPTED
<b>SPENDING APPROPRIATIONS</b>							
001 GENERAL FUND	2,127,786	1,318,151	1,152,435	1,253,344	1,233,344	20,000-	80,909
100 COMMUNITY DEVELOPMENT BLOCK GRANT	413,903	410,086	11,076,000	11,854,000	11,854,000		778,000
101 NEIGHBORHOOD REVITALIZATION PROG	1,014,012	7,829,253					
108 SECTION 108 PROGRAMS	1,178,334	651,030					
126 PED OPERATIONS FUND	7,951,069	8,059,271	9,058,468	9,213,592	9,163,592	50,000-	105,124
127 ST PAUL/RAMSEY COUNTY PRINT CENTR	1,553,859	1,493,332	1,433,687	1,418,381	1,389,136	29,245-	44,551-
130 PARKING AND TRANSIT FUND	8,307,069	6,059,881	6,874,853				6,874,853-
133 HOUSING INFO OFFICE - PED	646,852	201,205					
149 CITY DWTN CAPT'L PROJS NOTE REPAY		8,523,737					
345 GOVERNMENTAL EMP & TRNG PROGRAM	4,244,364	487,499	240,419				240,419-
<b>TOTAL SPENDING BY UNIT</b>	<b>27,437,248</b>	<b>35,033,445</b>	<b>29,835,862</b>	<b>23,739,317</b>	<b>23,640,072</b>	<b>99,245-</b>	<b>6,195,790-</b>
<b>SPENDING BY MAJOR OBJECT</b>							
SALARIES	5,876,580	5,724,008	6,445,277	6,387,826	6,345,027	42,799-	100,250-
EMPLOYER FRINGE BENEFITS	1,810,714	1,705,669	1,960,206	1,949,154	1,936,079	13,075-	24,127-
SERVICES	1,924,050	2,303,748	1,938,263	2,513,916	2,520,545	6,629	582,282
MATERIALS AND SUPPLIES	654,893	724,961	734,560	655,825	655,825		78,735-
MISC TRANSFER CONTINGENCY ETC	14,048,423	23,818,398	18,298,106	12,212,596	12,162,596	50,000-	6,135,510-
DEBT							
STREET SEWER BRIDGE ETC IMPROVEMENT	1,691,847	62,153	105,000				105,000-
EQUIPMENT LAND AND BUILDINGS	1,430,741	694,508	354,450	20,000	20,000		334,450-
<b>TOTAL SPENDING BY OBJECT</b>	<b>27,437,248</b>	<b>35,033,445</b>	<b>29,835,862</b>	<b>23,739,317</b>	<b>23,640,072</b>	<b>99,245-</b>	<b>6,195,790-</b>
		27.7 %	14.8-%	20.4-%	.4-%	.4-%	20.8-%
<b>FINANCING BY MAJOR OBJECT</b>							
GENERAL FUND	2,127,786	1,318,151	1,152,435	1,253,344	1,233,344	20,000-	80,909
SPECIAL FUNDS							
TAXES							
LICENSES AND PERMITS							
INTERGOVERNMENTAL REVENUE	6,706,434	9,930,275	11,161,880	9,880,000	9,880,000		1,281,880-
FEES, SALES AND SERVICES	3,723,160	3,729,232	3,619,387	10,600,135	10,526,728	73,407-	6,907,341
ENTERPRISE AND UTILITY REVENUE	3,745,452	4,204,547	5,771,193	2,000,000	2,000,000		3,771,193-
MISCELLANEOUS REVENUE	234,135	182,796	86,600				86,600-
TRANSFERS	8,341,794	18,095,502	8,578,768				8,578,768-
FUND BALANCES			534,401-	5,838		5,838-	534,401
<b>TOTAL FINANCING BY OBJECT</b>	<b>24,878,761</b>	<b>37,460,503</b>	<b>29,835,862</b>	<b>23,739,317</b>	<b>23,640,072</b>	<b>99,245-</b>	<b>6,195,790-</b>
		50.6 %	20.4-%	20.4-%	.4-%	.4-%	20.8-%

## Budget Explanation

### Major Changes in Spending and Financing

For 2003, the department's staffing is down 6.3 full-time equivalent (FTE) positions from the adopted 2002 budget due to 7.5 FTEs eliminated and 1.2 FTEs added. PED has reduced 3.5 FTEs by eliminating the Housing Information Center. An additional 3.0 FTE reduction is due to the transferring the Workforce Development Program to Ramsey County, and eliminating 1 FTE at RiverPrint.

One outcome of the March 16, 2002 Summit on Diversity was several recommendations to improve the city's efforts in helping minority-, female-, and person with disability-owned businesses to establish themselves, do business with the city and prosper. To that end, the Mayor created a new position in PED to work on those Summit recommendations. This position is funded by transferring a position from the city's Affirmative Action Office and incorporating affirmative action functions into the Human Resources Office. PED also increase a .8FTE position to 1 FTE in PED Operations.

To meet Governmental Accounting Standards Board requirements, the HRA parking ramp revenues are now recorded in a new HRA fund rather than the city's Parking and Transit Fund. This change ensures that parking ramp assets, debt service, and revenues are recorded in the same fund. The remainder of the Parking and Transit Fund (parking meter and fine revenues) has been transferred to Public Works, which is responsible for collecting and accounting for meter revenues and maintaining the meters. The Parking and Meter Fund's \$100,000 contribution to the Capital City Partnership is now budgeted in PED's general fund activity.

The Community Development Block Grant Fund increases \$778,000 over 2002 due to increased program income.

PED created the Mixed-Income Housing 5000 Fund to budget and account for city and HRA funds (excluding tax incrementing financing) dedicated to the four-year, Housing Plan 5000. This fund will be budgeted at \$10 million a year in the capital improvement budget.

### Department Proposals

The department did not make any above-base requests for its general fund appropriation.

### Mayor's Recommendations

The mayor recommends accepting the department's submitted budget.

### Council Actions

The city council adopted the PED budget with two changes. The council transferred two contracts totaling \$50,000 with two non-profit organizations (\$20,000 in general fund spending and \$30,000 in CDBG funding) to the Citizen Opportunity Participation Program budget as part of an effort to consolidate funding for various non-profit organizations. The council approved a technical change requested by the mayor to move 1 FTE from RiverPrint to Real Estate's Design Group.

## Miscellaneous

### Major Accomplishments (Continued)

#### Housing

In 2001, Saint Paul's housing programs enjoyed a very productive year. City/HRA direct expenditures for housing were nearly \$14.5 million, up 23% from the previous year. The total development cost of all housing activities was nearly \$143 million. City programs helped to build, rehabilitate, or finance 1,729 housing units. Significant progress was made in preserving and maintaining the city's existing housing stock; building new units to meet emerging market demand in Saint Paul; and ensuring the availability of affordable housing. In May 2002, the mayor and city council approved the four-year Housing Plan 5000.

In neighborhood planning, the major accomplishments were adoption of the White Bear Avenue Small Area Plan, the Trout Brook Greenway Plan and the Community Vision for Lower Phalen Creek, the Phalen Corridor Redevelopment Strategy, and the Franklin-Emerald Plan and Redevelopment Strategy. In addition, planning grants from the Metropolitan Council's Livable Communities Program funded two Smart Growth Opportunity Sites: Hillcrest Village and the area surrounding Harriet Island and District Del Sol.

#### Planning

In citywide planning, the major accomplishments for the last year were:

- Final adoption of the Comprehensive Plan of 2001, which is the fourth comprehensive plan in the city's history
- Concluding negotiations on the expansion of the University of St. Thomas
- Successfully advocating that the Metro Council select the Riverview Corridor (E. and W. Seventh St.) to construct a busway (but then the construction funding was rescinded by the legislature)
- Completion of the River Corridor Plan and review by the Metro Council, the Minnesota Department of Natural Resources, and the National Park Service
- A new downtown plan prepared by a task force that met for almost a year
- Participation in the Central Corridor Light Rail Transit environmental impact statement
- Analysis of the 2000 census
- Submittal of a new floodway/flood fringe study to the Federal Emergency Management Agency to keep city property owners eligible for flood insurance.

In zoning, the major accomplishments were the development of an interim "urban village" zoning district to facilitate redevelopment of the Upper Landing and the West Side Flats. This was followed by a more comprehensive proposal for urban village zoning (mixed use, higher residential densities) that can be used in other parts of the city and is undergoing public review. PED and the Planning Commission processed 73 zoning cases in 2001.

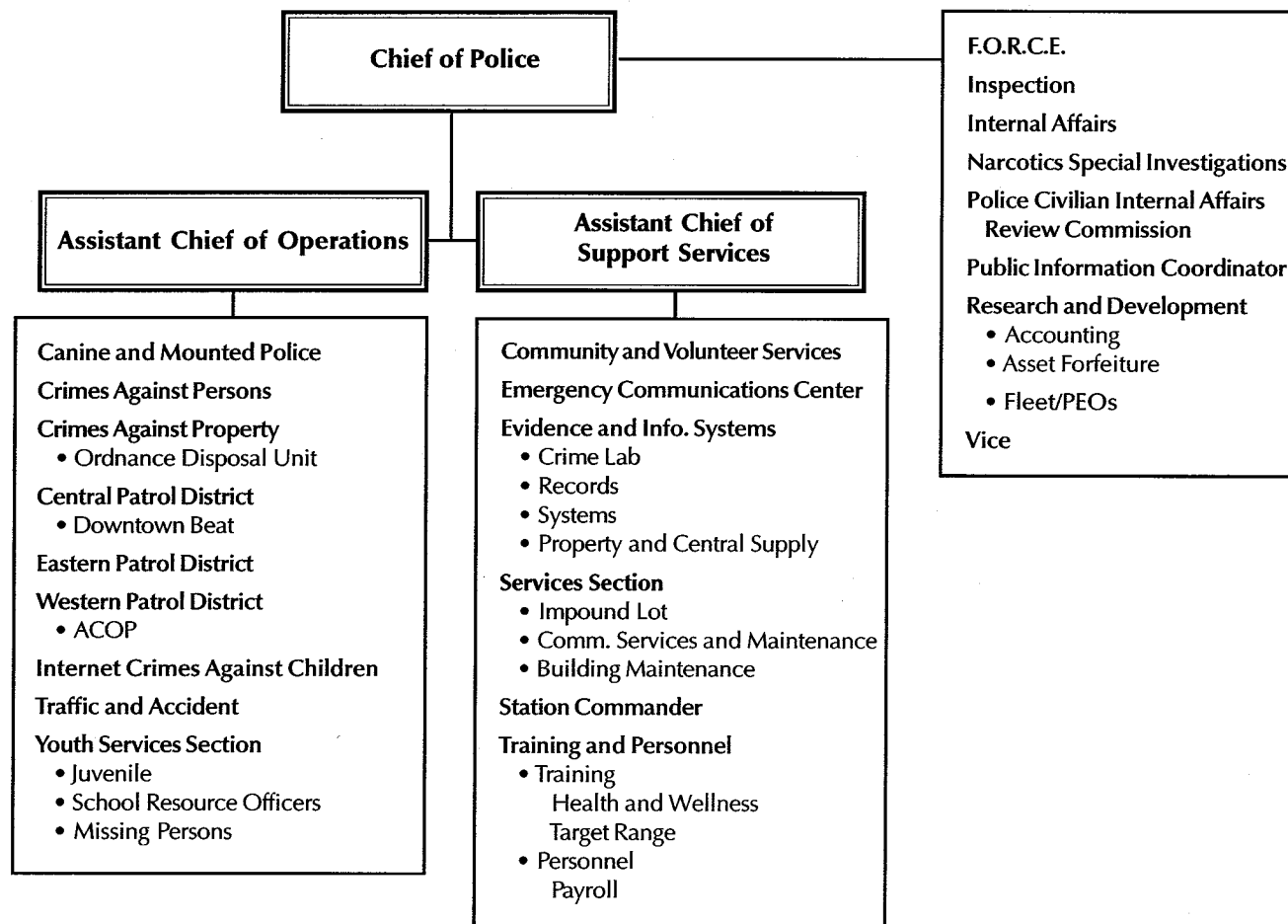
# Police

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## **Mission Statement**

The Saint Paul Police Department's mission is to maintain a climate of safety and security throughout the city. The Police Department will effectively manage its resources to deliver quality services within an atmosphere of individual integrity and mutual respect. Emphasis will be placed on: strong community relations, active assessment of citizen needs for police service, and modifying services, as feasible, to meet the needs of each neighborhood.

# Saint Paul Police



## Strategic Plan Accomplishments and 2003 Priorities

### Major Accomplishments

- Negotiated and entered into a ground breaking agreement with the community and the Department of Justice. This action has avoided the federally mandated consent decrees other cities have had placed on them to correct poor police community relations.
- Kept the city safe following the events of September 11, 2001, with no additional resources added to our budget to do so. This operation included protection of the federal building, city hall, the public safety building and other critical infrastructures and locations throughout the city. This was a 24-hours a day, 7 days a week operation. This large scale task was completed without adversely affecting day-to-day police operations.
- Maintained the peace and protected civil rights of all involved at the Klu Klux Klan Rally held on the capital grounds without any additional resources added to our budget.
- Created a Family Sexual Violence Unit to address the need for enhanced investigation of family violence related crime. This unit was created without additional city resources added to our budget.
- Realized a reduction of graffiti crime from 709 through 2000 to 464 in 2001 through pro-active efforts of identification, training, apprehension and prosecution.
- Received a federal grant to develop an enhanced early warning system as well as tools to identify and address racial bias in officers.
- Installed laptops and mounts in squad cars in preparation for wireless and records management system (RMS) applications start up.
- Executed a lease for additional property at the Impound Lot.
- Implemented a new overtime tracking system resulting in a reduction of overtime spent by \$34,782 from 2000 to 2001.
- Concluded the investigation of the homicide of Davisha Gillum. In July of 1996, 4 year old Davisha was killed in a gang crossfire. The department promised to solve this crime and worked for 5 years to do so. Four individuals were arrested and charged, three are currently at trial.
- The Homicide Unit cleared 9 of their 11 cases last year (two justifiable). This is the lowest homicide rate in 21 years.
- Crimes against persons declined 4.9 percent from 2000 to 2001.

### 2003 Priorities

- As resources allow we will continue to maintain the climate of safety and security the city has enjoyed the last 10 years. Once our budget is established for 2003, the department will develop our priorities in line with the mayor's priorities as well as meeting our primary goal of public safety.

## Police Department

DEPARTMENT/OFFICE DIRECTOR: CHIEF WILLIAM FINNEY

	2000 2ND PRIOR EXP & ENC *	2001 LAST YEAR EXP & ENC *	2002 ADOPTED BUDGET	2003 MAYOR'S PROPOSED	2003 COUNCIL ADOPTED	ADOPTED CHANGE FROM MAYOR'S 2002 PROPOSED ADOPTED
<b>SPENDING APPROPRIATIONS</b>						
001 GENERAL FUND	51,350,932	53,673,530	56,730,700	57,871,567	57,873,482	1,915 1,142,782
400 POLICE SERVICES (PENSION ASSETS)	1,581,036	1,385,091	1,657,997	1,243,007	1,243,007	414,990-
405 CRIME LABORATORY SPECIAL REV FUND	52,169	55,902	70,817	75,931	75,931	5,114
420 PARKING ENFORCEMENT	958,761	965,843	1,031,880	1,066,459	1,149,144	82,685 117,264
435 VEHICLE IMPOUNDING: POLICE LOT	1,954,710	2,079,435	2,025,500	2,192,769	2,600,965	408,196 575,465
436 POLICE-SPECIAL PROJECTS	5,023,642	5,009,254	6,029,876	5,312,458	6,661,006	1,348,548 631,130
733 POLICE OFFICERS CLOTHING TRUST FU	385,091	437,713	455,605	474,581	474,581	18,976
734 CONFISCATED & UNCLAIMED MONIES	21,069	43,057	50,000	50,000	50,000	
<b>TOTAL SPENDING BY UNIT</b>	<b>61,327,410</b>	<b>63,649,825</b>	<b>68,052,375</b>	<b>68,286,772</b>	<b>70,128,116</b>	<b>1,841,344 2,075,741</b>
<b>SPENDING BY MAJOR OBJECT</b>						
SALARIES	39,376,673	41,672,691	43,936,745	45,040,657	45,184,507	143,850 1,247,762
EMPLOYER FRINGE BENEFITS	11,014,811	11,590,521	12,510,781	12,845,160	12,878,116	32,956 367,335
SERVICES	4,099,325	4,044,490	4,698,820	4,028,923	5,074,190	1,045,267 375,370
MATERIALS AND SUPPLIES	3,003,512	2,762,675	2,814,017	2,701,962	3,057,844	355,882 243,827
MISC TRANSFER CONTINGENCY ETC	1,932,568	1,899,683	1,994,724	1,674,057	1,661,595	12,462- 333,129-
DEBT						
STREET SEWER BRIDGE ETC IMPROVEMENT	230,627	174,473	214,030	195,442	233,314	37,872 19,284
EQUIPMENT LAND AND BUILDINGS	1,669,894	1,505,292	1,883,258	1,800,571	2,038,550	237,979 155,292
<b>TOTAL SPENDING BY OBJECT</b>	<b>61,327,410</b>	<b>63,649,825</b>	<b>68,052,375</b>	<b>68,286,772</b>	<b>70,128,116</b>	<b>1,841,344 2,075,741</b>
		3.8 %	6.9 %	.3 %	2.7 %	2.7 % 3.1 %
<b>FINANCING BY MAJOR OBJECT</b>						
GENERAL FUND	51,350,932	53,673,530	56,730,700	57,871,567	57,873,482	1,915 1,142,782
SPECIAL FUNDS						
TAXES						
LICENSES AND PERMITS						
INTERGOVERNMENTAL REVENUE	3,182,495	3,130,487	3,424,566	2,674,802	3,874,329	1,199,527 449,763
FEES, SALES AND SERVICES	2,726,276	3,047,750	2,834,586	3,300,249	3,708,445	408,196 873,859
ENTERPRISE AND UTILITY REVENUE	25,406	24,330	26,625	25,300	25,300	1,325-
MISCELLANEOUS REVENUE	6,812,477	977,700	711,264	424,351	410,616	13,735- 300,648-
TRANSFERS	2,250,421	2,140,192	2,387,157	2,455,830	2,576,387	120,557 189,230
FUND BALANCES			1,937,477	1,534,673	1,659,557	124,884 277,920-
<b>TOTAL FINANCING BY OBJECT</b>	<b>66,348,007</b>	<b>62,993,989</b>	<b>68,052,375</b>	<b>68,286,772</b>	<b>70,128,116</b>	<b>1,841,344 2,075,741</b>
		5.1-%	8.0 %	.3 %	2.7 %	2.7 % 3.1 %



# Budget Explanation

## Major Changes in Spending and Financing

### Creating the 2003 Budget Base

The 2002 adopted budget was adjusted to set the base for the year 2003. The Police Department budget was increased for the anticipated growth in 2003 for salaries and fringes related to the bargaining process, including a general fund share for the school resource officers in the special funds. According to plan, twenty percent of the cost of ten police officers and ten percent of the cost of six community service officers funded with returned city pension assets in 2002 were shifted to the general fund for 2003. The budget was also increased to handle the growth of the city share for funding the school resource officers. Two one-time items included in the 2002 budget (funding for an extra academy and roll over of 2001 records management system funding) were removed from the 2003 general fund base. Finally, a spending cap was imposed on the department's adjusted general fund budget to limit the growth of government spending and to avoid an increase to the city's property tax.

### Department Proposals

The Police Department's 2003 general fund spending budget submission is at the base spending budget of \$57,751,377. The Police Department's general fund financing budget is \$83,571 under the financing base budget. The department's target reduction impact is listed as \$662,344. However, it is the department's position that, in addition to this reduction target amount, the department's base was underfunded by an additional \$611,735. The department chose to include this in their budget as an above the base request. In order to reach a \$1,274,079 reduction, three commanders, one administrative assistant, fourteen police officers, and other, nonsalary items of \$100,000 were removed in the department proposal. This budget submission contains no additional requests for services, supplies, or equipment. In addition to the above budget reductions, it is the position of the department that the department remains underfunded in the overtime budget by approximately \$475,710. In 2002, this deficit was offset by the police pension fund overtime and overtime fringe benefit budget in the amount of \$245,282. However, the overtime available in the police pension assets fund has been removed from the 2003 base. Each year the department relies on the retirement of officers and vacancy savings to assist in balancing the budget. In 2002, vacancies were held open and the department's budget was not balanced until May 15, 2002. The department has had approximately one-half or 260 of the sworn officers retire since 1993. From 1998-2001, 162 sworn officers retired. A large turnover of police officer positions is not anticipated in 2003 and the department cannot rely on turnover savings to balance its budget in the future.

Changes in the 2003 Police Department general fund:

- The Victim Intervention Project (VIP) grant is not budgeted since the Department is no longer the fiscal agent for this grant.
- A transfer of gambling enforcement revenue from the Office of License, Inspection and Environmental Protection to the Department is not budgeted.

Items not included in the 2003 Police Department's general fund budget request:

- Three commanders, one administrative assistant, fourteen police officers, and other, nonsalary items of \$100,000 (total of \$1,274,079).
- Regular overtime of approximately \$475,710.

Changes in the 2003 Police Pension Assets special revenue fund 400:

- A decrease in interest earned on the police pension assets due to the use of these assets for police salaries, severance pay, overtime, and equipment.
- The base budget did not include police overtime. Therefore, no police overtime is included in the department request.

Changes in the 2003 Police Special Projects special revenue fund 436:

- Grants and special projects completed in 2002:
  1. State Incentive Grant (activity 34068).
  2. School Resource Grant (activity 34191).
  3. Local Law Enforcement Block Grant (LLEBG) V (activity 34194).
- New grants and special projects:
  1. Local Law Enforcement Block Grant (LLEBG) VII (activity 34196).
- Grants added that were previously budgeted in the general fund:
  1. Night Cap Grant (activity 34146).
  2. Safe and Sober Grant (activity 34147).
  3. Underage Compliance Check Grant (activity 34148).

There were no major changes in the financing and spending for the 2003 Crime Laboratory special revenue fund 405, Parking Enforcement special revenue fund 420, Police Impound Lot enterprise fund 435, Police Officer Clothing trust fund 733, and Confiscated and Unclaimed Monies trust fund 734.

## Budget Explanation (continued)

### Major Changes in Spending and Financing (continued)

#### Mayor's Recommendations

In preparing the 2003 proposed budget, the mayor recommended accepting the department proposals contained in the submitted budget, with these exceptions:

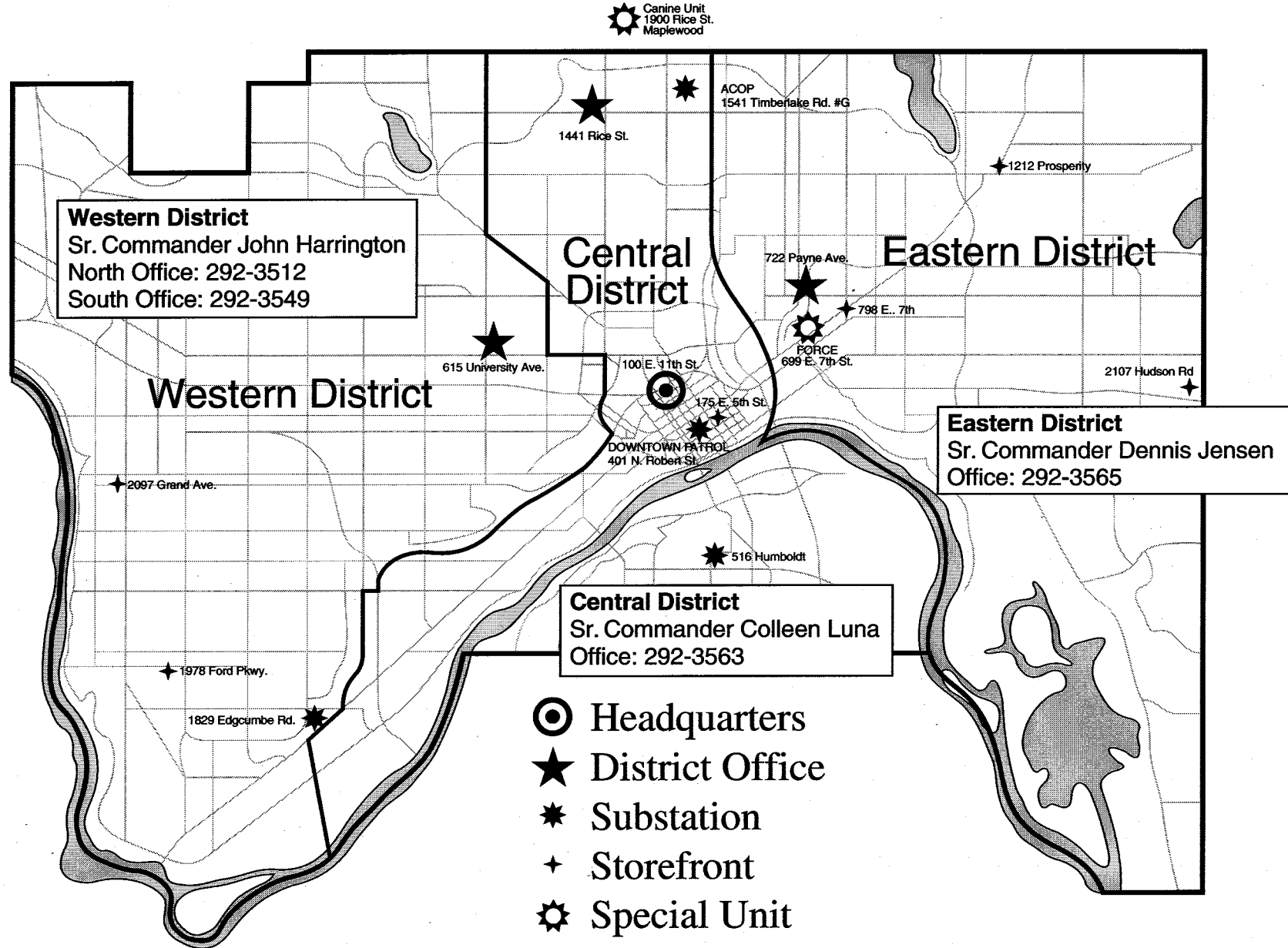
- rejecting the proposal to remove 14 officers from the police department budget and adding these officers back into the proposed budget,
- adjusting the department's requested budget for the use of the city pensions assets being returned to the city under 1999 legislation, to make the budget consistent with the fourth year of the plan crafted during the 2000 budget process and updated in the 2001, 2002 and 2003 budget processes;
- responding to the chief's request for additional overtime dollars, not included in the department's submitted budget, by modifying the returned city pensions assets budget and plan, to include a portion of the overtime request (\$350,000) for the third year in a row;
- denying the above the base request for additional discretionary premium pay included in the budget submission;
- continuing the policy established in the 1998 budget (and accepted for the 1998, 1999, 2000, 2001 and 2002 budgets) for the 2003 budget by estimating and budgeting for some savings attained through staff turnover;
- adding two state funded police officers in the juvenile unit related to the state gang strike task force;
- not allowing the requested back fill of a sergeant assigned to License Inspections, and Environmental Protection (LIEP) and shifted to the LIEP budget;
- providing some Local Law Enforcement Block grant funding to the City Attorney's Office for the victim liaison program;
- shifting the costs of department travel and training from the general fund to the state reimbursed per officer training stipend in special funds; and
- to further hold the line on spending, removing the funding for a currently vacant clerical position, reducing miscellaneous line item budgets, and cutting back on some police fleet spending.

#### City Council Actions

The city council adopted the Police department budget and recommendations as proposed by the mayor, and approved the following changes recommended by the mayor:

- revising the financing estimate for funding from the Public Housing Authority for the ACOP program, and revising the committed city match as appropriate,
- adjusting to isolate the budget for Community and Volunteer Services separately from the Office of the Police Chief,
- approving the recommended technical change to move the spending authority related to Ramsey County waste management fees from the general government accounts to department budgets,
- making further technical changes to revise Police grant budgets, including the federal COPS Value Based Initiatives grant, COPS Technology 2002 grant, the COPS More 2002 grant, the Capacity for Community Responsiveness grant, the NIBRS Project grant, the Mobile Crisis Team grant, the Youth Achievers' Program grant, the Local Law Enforcement Block grant, the COPS More 1996 and 1998 grants, the State Incentive grant, and the Auto theft grants,
- adjusting the budget for grant matches,
- correcting the budget for the change to the State mandated 911 phone system fee,
- increasing the budget to accommodate the increased capacity at the city Impound Lot, and
- accepting the most recent plan version for the use of pension assets returned to the city for 2003.

# POLICE LOCATIONS





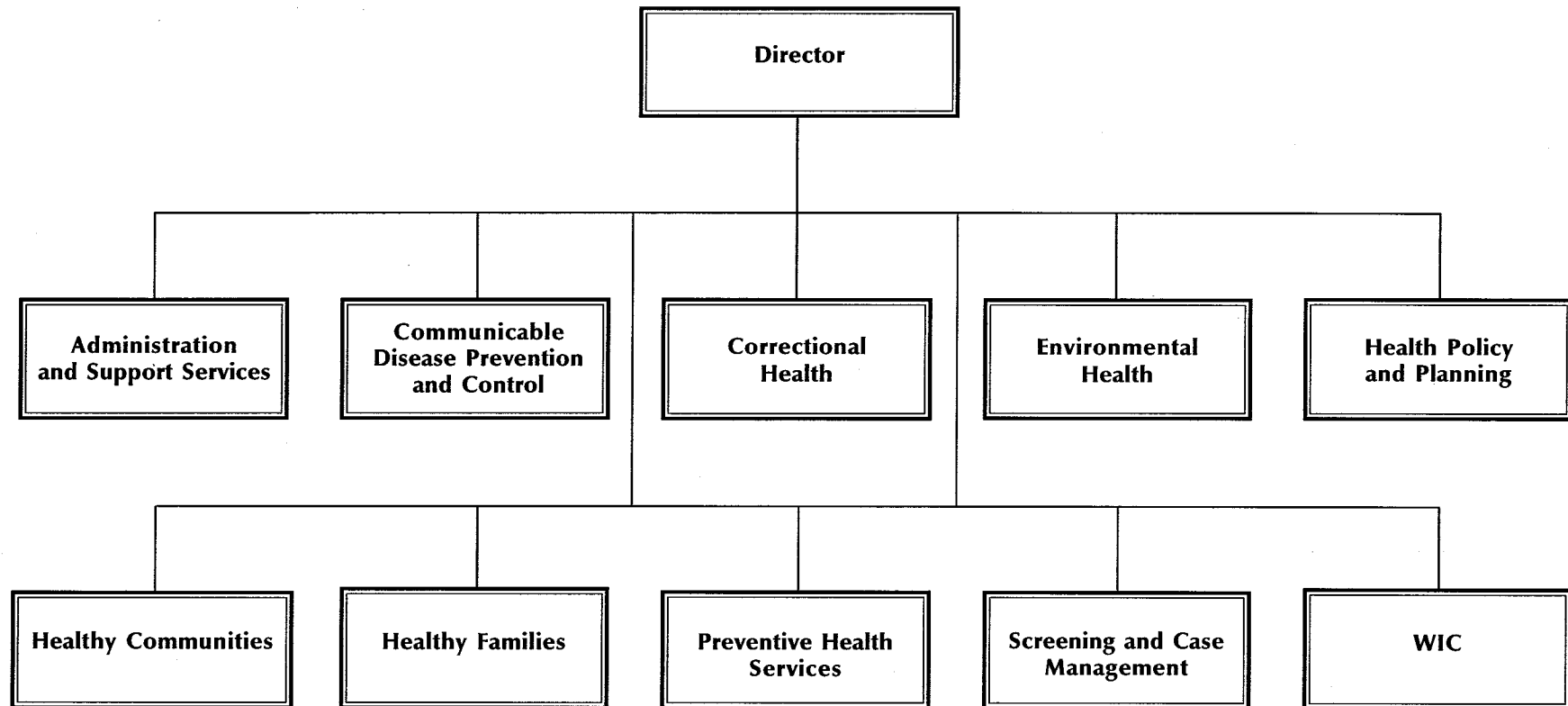
# Public Health

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## **Mission Statement**

To improve, protect, and promote the health, the environment, and the well being of people in the community.

## Saint Paul-Ramsey County Public Health



## **Strategic Plan Accomplishments and 2003 Priorities**

### **Major Accomplishments**

In 1997, the city's public health function was merged, through a joint powers agreement, with Ramsey county's. The administration of this function now resides with the county. As resignations or retirements of city staff members occur, the positions are filled by the county. As city employees resign or retire, the city budget shows a decline in FTEs and dollars associated with paying their salary and benefits. Their salary and benefit costs are reimbursed by Ramsey county, and the county is responsible for the portion of the tax levy that covers these expenses.

### **2003 Priorities**

Priorities for the provision of public health services are determined by the Community Health Services Advisory Committee. To accomplish our mission, the Saint Paul-Ramsey County Department of Public Health concentrates its efforts in four areas of strategic focus:

- Prevent communicable diseases
- Promote the health of children, youth and their families
- Protect the environment and reduce environmental health hazards
- Reduce chronic disease

## Public Health

DEPARTMENT/OFFICE DIRECTOR: NEAL HOLTAN

	2000 2ND PRIOR EXP & ENC *	2001 LAST YEAR EXP & ENC *	2002 ADOPTED BUDGET	2003 MAYOR'S PROPOSED	2003 COUNCIL ADOPTED	ADOPTED CHANGE FROM MAYOR'S 2002 PROPOSED ADOPTED
<b>SPENDING APPROPRIATIONS</b>						
304 PUBLIC HEALTH SERVICES	1,329,749	1,320,205	1,736,050	1,571,547	1,571,547	164,503-
305 PUBLIC HEALTH SPEC REV FUND	3,267,872	2,821,179	3,167,077	2,635,843	2,635,843	531,234-
<b>TOTAL SPENDING BY UNIT</b>	<b>4,597,621</b>	<b>4,141,384</b>	<b>4,903,127</b>	<b>4,207,390</b>	<b>4,207,390</b>	<b>695,737-</b>
<b>SPENDING BY MAJOR OBJECT</b>						
SALARIES	3,513,282	3,181,866	3,723,909	3,222,820	3,222,820	501,089-
EMPLOYER FRINGE BENEFITS	1,068,498	943,930	1,179,218	984,570	984,570	194,648-
SERVICES	15,841	15,588				
MATERIALS AND SUPPLIES						
MISC TRANSFER CONTINGENCY ETC						
DEBT						
STREET SEWER BRIDGE ETC IMPROVEMENT						
EQUIPMENT LAND AND BUILDINGS						
<b>TOTAL SPENDING BY OBJECT</b>	<b>4,597,621</b>	<b>4,141,384</b>	<b>4,903,127</b>	<b>4,207,390</b>	<b>4,207,390</b>	<b>695,737-</b>
		9.9-%	18.4 %	14.2-%		14.2-%
<b>FINANCING BY MAJOR OBJECT</b>						
<b>SPECIAL FUNDS</b>						
TAXES						
LICENSES AND PERMITS						
INTERGOVERNMENTAL REVENUE			4,903,127	4,207,390	4,207,390	695,737-
FEES, SALES AND SERVICES	4,597,619	4,141,378				
ENTERPRISE AND UTILITY REVENUE						
MISCELLANEOUS REVENUE						
TRANSFERS						
FUND BALANCES						
<b>TOTAL FINANCING BY OBJECT</b>	<b>4,597,619</b>	<b>4,141,378</b>	<b>4,903,127</b>	<b>4,207,390</b>	<b>4,207,390</b>	<b>695,737-</b>
		9.9-%	18.4 %	14.2-%		14.2-%



## **Budget Explanation**

### **Major Changes in Spending and Financing**

#### **Creating the 2003 Budget Base**

The 2002 adopted special funds budgets were adjusted to set the base for the year 2003. They were increased for the anticipated growth in 2003 for salaries and fringes related to the bargaining process.

#### **Department Proposals**

The budget was prepared by the Office of Financial Services based on information from the Saint Paul-Ramsey County Health Department. The budget reflects the number of employees (67.2 FTEs) who are still on the city's payroll.

#### **Mayor's Recommendations**

In preparing the 2003 proposed budget, the mayor recommends accepting the proposal contained in the department's requested budget.

#### **Council Actions**

The city council adopted the Public Health budget and recommendations as proposed by the mayor.



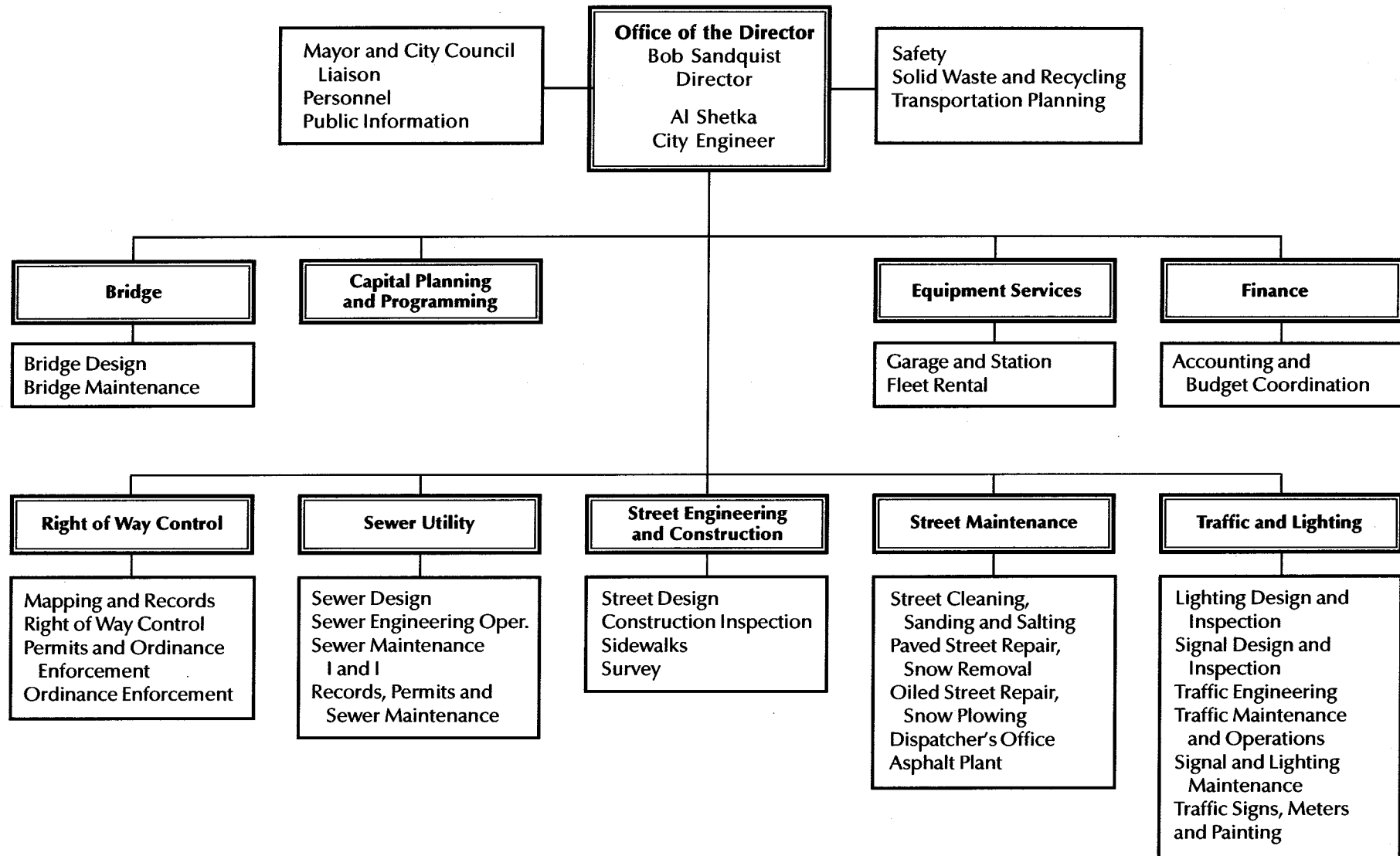
# Department of Public Works

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## **Mission Statement**

The Department of Public Works provides, maintains, and controls Saint Paul's streets and sidewalks, bridges, lights, traffic signs and signals, storm and sanitary sewers. The Department's aim in providing these basic urban services is to enable dense urban living, promote basic life safety, and improve quality of life for residents, businesses and visitors in Saint Paul.

# Public Works



## Strategic Plan Accomplishments and 2003 Priorities

### Major Accomplishments

- RSVP: For 2002, three projects are under construction. The following will be complete in 2002: Case-Hazelwood, Cottage-Greenbrier, and Hoyt-Merrill. Four projects are in the early design stages and will be constructed in 2003.
- Phalen Boulevard: A large project critical to economic development of Saint Paul's Eastside.
  - Westminster Junction Bridge: Design complete.
  - Roadway; Mississippi to Payne: Plans complete.
  - Roadway and Right-of-Way; Payne to the East: Preliminary design well underway.
- Shepard Road: Intend to complete construction of segment Chestnut to Jackson provided county funding assistance is obtained.
- Participated in the pedestrian safety summit with David Engwich, a pedestrian safety guru from Australia.
- Installed electronic speed indicators which are being tested on Snelling near Hamline and also on Ford Parkway between Fairview and Davern.
- Implemented signal revisions adding pedestrian heads, crosswalks on Ruth at both I-94 ramps and at Suburban, continued our second year of usage of the centerline pedestrian signs, and worked closely with the police and community on the Saferoutes program.
- Completed 24 separate street lighting projects including eight RSVP projects, Kellogg Boulevard, Raspberry Island, and north quadrant.
- Tested audible pedestrian signals and countdown signals, working with the visually impaired.
- Completed an analysis of the City-County-State roadway jurisdiction agreement.
- A new combined sewer and right-of-way permit was implemented. This will save contractors a step in the process of obtaining permits from the sewer utility.
- Continued to rehabilitate the older city sewers. This program invests about \$6 million per year out of sewer funds.
- The sewer utility has finished writing the Saint Paul Storm Water Permit Annual Report.
- Aggressive vehicle tagging last winter resulted in a record number of tags issued and cars towed, thereby facilitating more effective snow removal.

### 2003 Priorities

- Public Safety: Continue to be pro-active with efforts toward pedestrian and vehicular safety, especially through the use of traffic calming techniques and the encouragement of the use of transit.
- Work with the various permitting bodies to implement the storm water discharge permit to keep the environment as clean as possible.
- Plan for the implementation of the curbside recycling of plastics in 2004.
- Housing: Support additional affordable housing through public infrastructure (roads, sewers, lighting and transit development) and maintain the lowest possible rates structure for the maintenance of these facilities.
- Riverfront: Complete Shepard Road before the Grand Excursion in 2004.
- Reorganization: Continue the review of the Right-of-Way operation. Assist in the management of the urban forest through a benefit based assessment to property. Work with Ramsey County on joint efforts to maintain roads and to continue the review of the jurisdiction agreement. Work with the Water Utility and Parks on the implementation of an asset management system for our infrastructure.
- Finance: Lead the implementation of the benefit-based assessment of forestry, street lighting and winter street plowing and sanding as recommended by the Mayor's Fiscal Advisory Committee on the city's financing. Continue to maintain various rates at their current levels.

## Public Works

DEPARTMENT/OFFICE DIRECTOR: ROBERT SANDQUIST

	2000 2ND PRIOR EXP & ENC *	2001 LAST YEAR EXP & ENC *	2002 ADOPTED BUDGET	2003 MAYOR'S PROPOSED	2003 COUNCIL ADOPTED	ADOPTED CHANGE FROM MAYOR'S 2002	ADOPTED
<u>SPENDING APPROPRIATIONS</u>							
001 GENERAL FUND	9,616,841	9,856,626	10,228,318	10,281,272	6,258,961	4,022,311-	3,969,357-
205 PUBLIC WORKS ENGINEERING FUND	4,509,356	4,520,258	8,261,897	8,417,748	8,417,748		155,851
225 STREET REPAIR AND CLEANING	14,512,089	15,164,611	18,888,470	27,244,622	21,944,622	5,300,000-	3,056,152
230 PARKING METER COLLECTION AND FINE				2,448,459	2,698,459	250,000	2,698,459
231 LIGHTING ASSESSMENT DISTRICTS	97,426	118,850	135,396	135,396	135,396		
232 SOLID WASTE & RECYCLING	2,540,479	2,511,159	2,665,178	2,663,785	2,670,976	7,191	5,798
235 RIGHT-OF-WAY	1,625,753	1,880,296	2,198,994				2,198,994-
240 TRAFFIC, SIGNAL, & LGHTG MTCE	6,229,271	6,255,791	8,673,467	8,580,716	8,580,716		92,751-
245 ASPHALT PLANT INTERNAL SERVICE	2,184,036	1,992,862	2,532,861	2,542,223	2,542,223		9,362
250 PUBLIC WORKS EQUIPMENT SERVICE	4,722,304	5,417,656	5,497,784	5,541,492	5,541,492		43,708
255 PUB.WKS.ADMIN & SPPT.SERVICES	2,097,743	2,565,497	2,790,222	2,850,284	2,850,284		60,062
260 SEWER UTILITY	41,379,307	40,808,087	46,408,780	51,748,995	51,748,995		5,340,215
TOTAL SPENDING BY UNIT	89,514,605	91,091,693	108,281,367	122,454,992	113,389,872	9,065,120-	5,108,505
<u>SPENDING BY MAJOR OBJECT</u>							
SALARIES	16,958,177	17,801,850	22,012,837	22,642,363	22,149,405	492,958-	136,568
EMPLOYER FRINGE BENEFITS	5,451,765	5,493,493	7,088,797	7,264,189	7,063,592	200,597-	25,205-
SERVICES	16,286,333	17,073,518	20,027,955	20,663,865	20,374,111	289,754-	346,156
MATERIALS AND SUPPLIES	9,713,720	9,371,259	11,318,841	11,287,524	10,978,024	309,500-	340,817-
MISC TRANSFER CONTINGENCY ETC	31,309,509	30,569,417	35,902,483	48,185,124	40,412,813	7,772,311-	4,510,330
DEBT	8,281,591	8,409,125	8,711,663	9,037,027	9,037,027		325,364
STREET SEWER BRIDGE ETC IMPROVEMENT							
EQUIPMENT LAND AND BUILDINGS	1,513,510	2,373,031	3,218,791	3,374,900	3,374,900		156,109
TOTAL SPENDING BY OBJECT	89,514,605	91,091,693	108,281,367	122,454,992	113,389,872	9,065,120-	5,108,505
		1.8 %	18.9 %	13.1 %	7.4-%	7.4-%	4.7 %
<u>FINANCING BY MAJOR OBJECT</u>							
GENERAL FUND	9,616,841	9,856,626	10,228,318	10,281,272	6,258,961	4,022,311-	3,969,357-
<u>SPECIAL FUNDS</u>							
TAXES							
LICENSES AND PERMITS	1,098,314	1,068,442	1,497,967	1,077,500	1,077,500		420,467-
INTERGOVERNMENTAL REVENUE	5,391,332	5,589,873	5,711,351	6,812,162	7,462,162	650,000	1,750,811
FEES, SALES AND SERVICES	57,825,582	58,981,616	62,954,130	64,808,120	64,718,120	90,000-	1,763,990
ENTERPRISE AND UTILITY REVENUE	66,020	92,324	68,500	68,500	68,500		
MISCELLANEOUS REVENUE	15,606,242	12,871,754	14,927,086	15,034,006	17,893,408	2,859,402	2,966,322
TRANSFERS	5,679,138	5,681,551	4,775,125	4,293,832	292,537	4,001,295-	4,482,588-
FUND BALANCES			8,118,890	20,079,600	15,618,684	4,460,916-	7,499,794
TOTAL FINANCING BY OBJECT	95,283,469	94,142,186	108,281,367	122,454,992	113,389,872	9,065,120-	5,108,505
		1.2-%	15.0 %	13.1 %	7.4-%	7.4-%	4.7 %

# Budget Explanation

## Major Changes in Spending and Financing

### Creating the 2003 Budget Base

The 2002 adopted budget was adjusted to set the base for the year 2003. The Public Works budget was increased for the anticipated growth in salaries and fringe benefits related to the bargaining process, including a general fund share for the street maintenance fund and the lighting and signals fund. Finally, a spending cap was imposed on the department's adjusted general fund budget to limit the growth of government spending and to avoid an increase to the city's property tax.

### Department Proposals

The Public Works Department 2003 general fund budget was submitted meeting the base amount established. The department was able to meet this base amount as a result of salary savings, due to staff turnover.

The special fund budget was submitted over base with approval to add \$10,800 for PC replacements, \$485,000 for a preliminary increase in sewage treatment charges, a two percent increase in the Sewer Rehabilitation Program (\$114,738), and a three percent increase in major sewer repair (\$49,264).

As a result of restructuring and efficiency actions, Public Works submission includes a reduction of 5.0 FTEs with no reduction in service levels

Use of \$6 million in special fund fund balance is included to fund the shift of winter street maintenance and boulevard tree trimming from the general fund to right-of-way service charges.

### Mayor's Recommendations

In preparing the 2003 proposed budget, the Mayor recommended accepting the department proposals contained in the submitted budget, with these exceptions,

- add \$8,000 to provide staff training in operation and maintenance of fiber optic cables
- include additional \$230,000 in the street maintenance fund for a center line roadway striping
- include \$18,000, for the purchase of survey equipment, to the engineering fund
- increase the department contribution for the federal lobbyist
- add funding to the sewer fund budget for sediment removal (\$500,000) and rehabilitation of sewer outfalls (\$2 million)
- include partial repayment of water pollution abatement bonds from the sewer fund (\$1.9 million); and
- shift the budget for parking meter collections and fine from Planning and

Economic Development to Public Works.

### Council Actions

The City Council adopted the Public Works budget and recommendations as proposed by the Mayor, and approved the following changes:

- eliminating unnecessary transfers between special funds and the general fund and establishing appropriate revenue documentation related to the right-of-way assessments program, and
- adding appropriation for waste management service fee, and
- correcting inaccurate financing code for lobbyist.

The City Council made these further changes:

- eliminating the transfer from the general fund for winter street maintenance, and
- increasing the use of the Street Repair and Cleaning Fund fund balance, and
- recognizing additional Municipal State Aid (MSA) revenue, and
- reducing expenditures in the Street Repair and Cleaning Fund by \$1.3M, and
- phasing the right-of-way assessment program over two years with 2003 being the first year reflecting half of the overall intended assessment, and
- adding \$250,000 in additional Parking and Transit revenue along with an additional transfer of \$82,688 to the Police Department for Police Parking Enforcement, and
- shifting various expenditures in Mayor's Contingency to Council Contingency.

## Public Works at a Glance

432.7 employees

\$158 million annual budget

851 miles of streets

1,006 miles of sidewalks

250 miles of alleys

1,254 miles of sewers

312 bridges

371 signalized intersections (over 15,000 individual light bulbs)

31,553 street lights

57,000 traffic signs



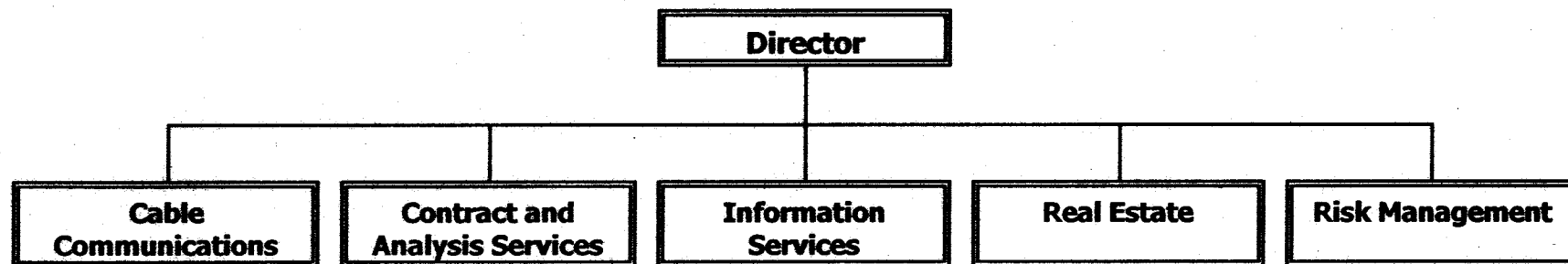
# Technology and Management Services

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## **Mission Statement**

To provide technology leadership and superior management services that are responsive to our customers' current and future needs.

## Technology and Management Services



## Strategic Plan Accomplishments and 2003 Priorities

### Major Accomplishments

#### *Cable Communications*

- ▶ Administered the cable franchise and, as part of that function, received and resolved 237 cable subscriber complaints and monitored the upgrade of the Subscriber Network and the Fiber I-Net's construction in 2001.
- ▶ Processed 874 Conference Center reservations and cancellations; performed 326 audio/video set-ups and served more than 24,000 customers.
- ▶ Produced 300 hours of live city and county meeting coverage and 62 other programs. Won a 2001 state award for programming excellence.

#### *Contract and Analysis Services*

- ▶ Contract and Analysis Services' costs are allocated among users based on actual service use. In 2001, allocations were: 50.6% to the city, 12.4% to Regional Water Services, 36.4% to Ramsey County and .6% to the Saint Paul Port Authority and RiverCentre.
- ▶ With the Office of Financial Services, jointly developed and implemented a procurement card program, which helps the city streamline the processing of small purchases, travel expenses and other transactions. Card usage has expanded by more than 300% since its 1999 inception.

#### *Information Services*

- ▶ Provided citywide technology management services, including: network, server and desktop support, strategic information planning and policy setting, departmental systems support and other IS consulting services. The city's technology base includes:
  - Over 4,000 hardware units running more than 5,000 software applications on 150 miles of networked cable and wire
  - 35 local area networks (LANS), or host computers, and close to 200 separate computer systems.
  - Two Web servers that process more than 900,000 requests per week
  - E-mail addresses for approximately 2,320 city staff.

#### *Real Estate*

- ▶ Annually processed the approval of \$24 million in capital assessments and service charges and collected \$18 million. Managed the \$18 million outstanding balance of multiyear capital assessments.

#### *Risk Management*

- ▶ In 2001, managed more than \$28 million in health and life insurance, workers' compensation and claims costs. Workers' compensation costs increased only 2.7% and per-employee health insurance is 8% below the national average for

### 2003 Priorities

#### *Cable Communications*

- ▶ Increase the quality and use of the Institutional Network (I-Net) so that it effectively replaces telephone lines as a communications medium for voice, data and video. Manage and oversee the development of the Hybrid Fiber Cable (HFC) I-Net and the Fiber I-Net. The networks consist of approximately 200 miles of fiber and coaxial cable, currently serving 75 active city sites and benefitting an estimated 1,000 city employees.
- ▶ Provide video production, meeting cable-coverage, audio-visual support and City Hall-Courthouse Conference Center reservations for the city and county.
- ▶ Act as liaison between the city and the cable company.

#### *Contract and Analysis Services*

Maintain the city's cooperative purchasing agreements with more than 50 local governments and continue to develop and implement cost-saving initiatives.

#### *Information Services*

- ▶ Establish a healthy technical environment by providing:
  - Adequate funding and support
  - Technical staff deployment and development
  - Strategic planning
  - Commons area support functions.
- ▶ Use technology initiative funding to accomplish to maintain and enhance a viable technical infrastructure, allowing city departments to effectively use technology to meet their strategic goals.
- ▶ Use the Internet and intranet to provide access to departmental services.
- ▶ Continuously look for innovative ways to deliver departmental services.

#### *Real Estate*

- ▶ Manage 95,000 square feet of City Hall Annex space. The 90,000 square feet of city-occupied space in City Hall is leased from Ramsey County
- ▶ Acquire 30 parcels and vacate 25 parcels of land per year on the city's behalf.

#### *Risk Management*

- ▶ Select the city's health and life insurance providers through a request for proposal process.
- ▶ With the implementation of the Risk Management Information System, automate data exchange with the payroll, finance and personnel system, eliminating 80% of the current paperwork.

## Technology and Management Services

DEPARTMENT/OFFICE DIRECTOR: DENNIS FLAHERTY

	2000 2ND PRIOR EXP & ENC *	2001 LAST YEAR EXP & ENC *	2002 ADOPTED BUDGET	2003 MAYOR'S PROPOSED	2003 COUNCIL ADOPTED	ADOPTED MAYOR'S PROPOSED	CHANGE FROM 2002 ADOPTED
<b>SPENDING APPROPRIATIONS</b>							
001 GENERAL FUND	6,776,881	7,082,695	8,268,059	8,239,259	8,317,695	78,436	49,636
124 CONTRACT AND ANALYSIS SERVICES	900,797	846,274	998,756	1,023,445	1,023,445		24,689
160 FMS-REAL ESTATE MGMNT FUND	1,741,906	1,792,025	1,874,164	1,878,745	1,937,235	58,490	63,071
164 INFO SERVICES INTERNAL SERVICES F			170,000	170,000	170,000		
165 TMS SPECIAL PROJECTS FUND Y	332,450	2,251,423	752,280	772,179	1,772,179	1,000,000	1,019,899
166 CABLE COMMUNICATIONS SPEC REV FUN	1,596,581	1,654,831	2,517,812	2,352,679	2,352,679		165,133
626 CITY-WIDE DATA PROCESSING	722,417	903,983	984,263	1,024,173	1,024,173		39,910
<b>TOTAL SPENDING BY UNIT</b>	<b>12,071,032</b>	<b>14,531,231</b>	<b>15,565,334</b>	<b>15,460,480</b>	<b>16,597,406</b>	<b>1,136,926</b>	<b>1,032,072</b>
<b>SPENDING BY MAJOR OBJECT</b>							
SALARIES	5,396,356	5,697,406	6,345,907	6,774,297	6,877,177	102,880	531,270
EMPLOYER FRINGE BENEFITS	1,658,310	1,683,388	1,926,375	2,063,372	2,094,802	31,430	168,427
SERVICES	2,926,118	3,446,314	4,267,746	3,559,606	3,662,222	102,616	605,524
MATERIALS AND SUPPLIES	563,043	733,744	411,859	420,245	420,245		8,386
MISC TRANSFER CONTINGENCY ETC	1,074,454	1,043,755	2,026,423	2,030,385	2,030,385		3,962
DEBT	163,708	253,017	253,017	253,017	253,017		
STREET SEWER BRIDGE ETC IMPROVEMENT							
EQUIPMENT LAND AND BUILDINGS	289,043	1,673,607	334,007	359,558	1,259,558	900,000	925,551
<b>TOTAL SPENDING BY OBJECT</b>	<b>12,071,032</b>	<b>14,531,231</b>	<b>15,565,334</b>	<b>15,460,480</b>	<b>16,597,406</b>	<b>1,136,926</b>	<b>1,032,072</b>
		20.4 %	7.1 %	.7 %	7.4 %	7.4 %	6.6 %
<b>FINANCING BY MAJOR OBJECT</b>							
GENERAL FUND	6,776,881	7,082,695	8,268,059	8,239,259	8,317,695	78,436	49,636
SPECIAL FUNDS							
TAXES	1,664,048	1,673,278	1,839,000	1,650,000	1,650,000		189,000
LICENSES AND PERMITS							
INTERGOVERNMENTAL REVENUE	156,626	1,680,934	200,000				200,000
FEES, SALES AND SERVICES	2,255,715	2,683,159	2,794,332	2,768,807	2,827,297	58,490	32,965
ENTERPRISE AND UTILITY REVENUE							
MISCELLANEOUS REVENUE	1,660,365	2,355,424	1,676,637	1,719,117	1,719,117		42,480
TRANSFERS	6,849	210,841	292,786	516,606	516,606		223,820
FUND BALANCES			494,520	566,691	1,566,691	1,000,000	1,072,171
<b>TOTAL FINANCING BY OBJECT</b>	<b>12,506,786</b>	<b>15,686,331</b>	<b>15,565,334</b>	<b>15,460,480</b>	<b>16,597,406</b>	<b>1,136,926</b>	<b>1,032,072</b>
		25.4 %	.8 %	.7 %	7.4 %	7.4 %	6.6 %

# Budget Explanation

## Major Changes in Spending and Financing

### Creating the 2003 Budget Base

The 2002 adopted budget was adjusted to set the base for the year 2003. Salary and fringe benefits were increased for the anticipated growth due to the bargaining process. A spending cap was imposed on the department's adjusted general fund budget to limit the growth of government spending and to avoid an increase to the city's property tax. Each division's base budget changes and any department requests are discussed below.

#### *Administration*

The 2003 budget reflects removal of 2002's one-time, \$800,000 E-Government spending.

#### *Cable Communications*

Spending: Cable eliminated a \$125,000 contribution to the Cable Fund fund balance and some capital expenditures due to an anticipated decrease in franchise fees. Despite these reductions, Cable's contribution to the General Fund remains steady at the 2002 level of \$863,000.

Financing: Cable franchise fees are projected to decrease in 2003 for the first time in the 17-year history of the cable franchise. This decrease is due to lower subscriber numbers and a federal ruling that prohibits franchise fees on cable modem service. In addition, the annual I-Net grant has expired and the city will no longer receive this revenue from the cable company. The combined effect of these changes is an estimated \$300,000 revenue reduction.

#### *Contract and Analysis Services*

Spending and Financing: the Vendor Outreach Program was transferred from Human Rights.

#### *Information Services*

Spending: \$224,900 was added to the base budget: \$82,600 for ongoing E-Government costs (Internet and firewall services, document subscription services, and Web server leases) and \$142,300 for ongoing server leases and network and e-mail licensing and support. IS met its base budget despite substantial increases in salaries, benefits, and maintenance costs. Decreases were achieved by consolidating and migrating Oracle licenses, consolidating and reducing data lines, eliminating end-user training and reducing PC replacement assistance. IS proposed several above-base requests in personnel and hardware to improve city technical capabilities.

Financing: The above-base requests are mostly funded by the general fund except for a .5 FTE desktop support person for the License, Inspections, and Environmental Protection Office.

#### *Real Estate*

No major changes in general fund spending or financing.

#### *Risk Management*

Spending: other than removal of a one-year benefits specialist position from the 2002 budget, Risk Management had no major changes in operational spending.

Financing: no major changes in financing.

### Department Proposals

Information Services requested \$706,000 for 6.5 FTE desktop support personnel, 1 FTE for property address database support, various network infrastructure and server purchases, and IS staff salary increases for retention purposes.

Real Estate requested \$101,400 to study its assessment billing information system for possible replacement, and \$100,000 as a contingency to begin upgrading the system in 2003, both funded by the Public Improvement Revolving Fund. Real Estate also proposed increasing street and right-of-way vacation fees to cover one-third the processing costs and raise \$6,400 in additional revenues.

### Mayor's Recommendations

The mayor recommends accepting the department's submitted budget and proposals, with the following changes:

- \$413,000 for the IS Division's above-base requests. The Mayor recommends funding 2.5 FTE desktop support personnel rather than 6.5 FTEs and not providing salary increases for retention purposes. The 2.5 FTEs will support Parks, Fire and LIEP.
- an additional .5 FTE to support the city's website and manage content (\$26,000).
- use \$438,000 in Cable Fund fund balance as one-time financing for 2003.

### Council Actions

The city council adopted the TMS budget with three technical changes recommended by the Mayor. The council moved 1 FTE from RiverPrint to Real Estate's Design Group, added \$1 million in county bond financing to the Real Estate Division's budget for funding the new Police Department headquarters' furnishings and equipment, and added \$78,436 for a GIS initiative funded by several city departments.



# Appendix

# Council Action Adopting the City Property Tax Levy

	Council File # <u>02-1162</u> Green Sheet # <u>114025</u>
<b>RESOLUTION</b> CITY OF SAINT PAUL, MINNESOTA	
31	
Presented By: <u>[Signature]</u>	
Referred To: _____	Committee: _____ Date: _____

1 WHEREAS, the Mayor, pursuant to the City Charter has proposed and recommended the 2003 budgets for the City of Saint  
 2 Paul, and  
 3  
 4 WHEREAS, the proposed 2003 General and General Debt Service budgets have been reviewed and approved or amended by  
 5 Council, and  
 6  
 7 WHEREAS, the property tax levy needed to finance those budgets, with allowance for shrinkage, has been determined,  
 8  
 9  
 10 NOW THEREFORE BE IT RESOLVED, the City Council in anticipation of adopting General Fund, and General Debt Service  
 11 budgets for the fiscal year 2003 in accordance with section 11.04 of the City Charter, the City Council does hereby  
 12 levy taxes on all taxable property within the Saint Paul corporate limits, to be collected in the amounts set forth below, and  
 13  
 14 BE IT FURTHER RESOLVED, the City Council directs the City Clerk to forward this resolution to the Ramsey County  
 15 Department of Taxation in accordance with the applicable provisions of the City Charter and other laws, and  
 16  
 17 BE IT FURTHER RESOLVED, the City Council directs the Financial Services Office to complete and forward any state forms  
 18 required identifying these adopted levies;  
 19  
 20  
 21  
 22  
 23

Description	Tax Levy Payable in 2002	Tax Levy Payable in 2003	% Change
City levy for operations and shrinkage	43,612,368	43,554,868	-0.13%
City levy for Debt Service	18,780,895	18,838,395	0.31%
Less state provided Hmstd. Ag. Cr. Aid (HACA)	0	0	0.00%
	62,393,263	62,393,263	0.00%

	Yeas	Nays	Absent
Benav	✓		
Blakey	✓		
Bostrom	✓		
Coleman	✓		
Harris	✓		
Lantry	✓		
Reiter	✓		
	6	0	1

Adopted by Council: Date Dec. 11, 2002  
 Adoption Certified by Council Secretary:  
 By: [Signature]  
 Approved by Mayor: Date 12-20-02  
 By: [Signature]

Requested by Department of:  
Executive Administration

By: Matt Smith

Approval Recommended by Director of Financial Services  
 By: [Signature]

Form Approved by City Attorney:  
 By: [Signature]

Approved by Mayor for Submission to Council  
 By: [Signature]

Prepared by the Saint Paul Office of Financial Services G:\SHARED\BUDGET\2003\CouncilLevyResolutions.xls 11/27/02



## Council Action Adopting the City Budget (page 2)

## Council Action Adopting the City Budget (page 3)

## Council Action Adopting the City Budget (page 4)

## 2003 Budget Process

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## Council's Fiscal Changes

General Fund and Debt Funds

Description	Source of Recommendation	Change from Mayor's - Adopted by Council		
		Line Item	Spending	Financing
<b>Public Works</b>				
Eliminate transfer from GF (assessments)	City Council, 12/4/02, Tech Change	02271		(6,000,000)
Eliminate transfer to SF (assessments)	City Council, 12/4/02, Tech Change	02271	(4,029,502)	
Shift funds from Exempt Property for Ramsey County waste management service fee, Transfer from GF to Recycling Fund 232	City Council, 12/4/02, Tech Change		7,191	
<b>Technology &amp; Management Services</b>				
No Change to Mayor's Proposed Budget	City Council, 12/11/02			
<b>General Government Accounts</b>				
Shift funds for the Ramsey County waste management service fee to department budgets	City Council, 11/27/02, Tech Change	09052	(60,000)	
Add funding for specific council selected programs to COPP	City Council, 12/4/02		96,750	
Shift funding for SMRLS and SPARL to COPP	City Council, 12/11/02		above	
Specified Contingency	City Council, 12/11/02	09061	75,000	
CSO Marketing - place half of \$150,000 into contingency	City Council, 12/11/02	09061	61,655	
Parks & Rec - funding for a Recreation Center Director	City Council, 12/11/02			
<b>All General Fund Department Budgets</b>				
City Council change to reduce Retiree Insurance	City Council, 12/4/02	all activities	(22,000)	
<b>Property Tax Levy Financing</b>				
No Change to Mayor's Proposed Budget	City Council, 9/11/02			
<b>Other Financing</b>				
Increase in revenue related to parking fine increase	City Council, 12/4/02	00000		167,314
Transfer from Parking and Transit Fund				
Increase in revenue related to revised estimate of Hotel Motel Taxes to \$2.8 million	City Council, 12/4/02	00000		132,450
Reduction in General Fund Interest Earnings	City Council, 11/27/02, Tech Change	00000		(400,000)
<b>Fund Balance</b>				
Adjustment needed to balance technical changes	City Council, 11/27/02, Tech Change			789,136
Adjustment needed to balance City Council changes	City Council, 12/11/02			(65,454)
<b>Total, Council's Changes</b>			(5,605,155)	(5,605,155)
<b>Mayor's Proposed General Fund Budget</b>			181,025,044	181,025,044
<b>Council's Preliminary General Fund Budget</b>			175,419,889	175,419,889
<b>Balance Indicator</b>	<b>Current Status:</b>			0
	<b>Balanced Budget</b>			

<b>General Debt</b>				
Decrease estimated 2003 bond rate to 4% (decreases interest expenses on spending)	City Council 12/4 Tech Change	89986-0613	(95,000)	
		89986-0623	65,000	
		89903-0613	(95,000)	
Reduce interest earnings on financing and offset with use of fund balance	City Council 12/4 Tech Change	89955-6602		(140,000)
		89901-9830		15,000
<b>Total, Council's Changes</b>			(125,000)	(125,000)
<b>Mayor's Proposed Debt Budget</b>			56,044,975	56,044,975
<b>Council's Preliminary Debt Budget</b>			55,919,975	55,919,975
<b>Balance Indicator</b>	<b>Current Status:</b>			0
	<b>Balanced Budget</b>			

## 2003 Budget Process

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## Council's Fiscal Changes

Special Funds

Description	Source of Recommendation	Change from Mayor's - Adopted by Council		
		Line Item	Spending	Financing
<b>City Attorney</b>				
No changes to Mayor's Proposed Budget	City Council 12/4/02			
<b>Citizen Services</b>				
No changes to Mayor's Proposed Budget	City Council 12/4/02			
<b>City Council</b>				
No changes to Mayor's Proposed Budget	City Council 12/4/02			
<b>Financial Services</b>				
Hotel/Motel Related Changes - Revenue Reserve	City Council 12/11/02	050-30108	3,750	3,750
Hotel/Motel Related Changes - Convention & Visitors' Bureau	City Council 12/11/02	050-30108	156,225	156,225
<b>Fire and Safety Services</b>				
No changes to Mayor's Proposed Budget	City Council 12/11/02			
<b>Human Rights</b>				
SMRLS' Human Rights Contract	City Council, 12/11/02	050-30150	(26,250)	(26,250)
<b>Libraries</b>				
Reflects increase in materials budget (spending)	City Council 12/11/02	350-333422	100,000	
Reflects increase in materials budget (financing from GF Transfer)	City Council 12/11/02	350-333422		100,000
<b>License, Inspection and Environmental Protection</b>				
Web development - shift dollars to appropriate expenditure code	City Council, 12/4/02, Tech Change	320-33351	59,000	
	City Council, 12/4/02, Tech Change	320-33351	(59,000)	
Funding for GIS development	City Council, 12/4/02, Tech Change	320-33351	(50,319)	
	City Council, 12/4/02, Tech Change	320-33351	50,319	
<b>Parks and Recreation</b>				
Revise accounting for tree trimming program.	City Council, 12/4/02, Tech Change	375-23120	1,800,000	1,800,000
Shift spending from GF to new SF.				
Move dome ops from Sports Dome fund	City Council, 12/4/02, Tech Change	326-23133	(70,695)	(70,695)
Shift dome ops into Muni Athletics fund	City Council, 12/4/02, Tech Change	394-33149	70,695	70,695
<b>Planning &amp; Economic Development</b>				
Reduce costs and revenues for staff transferred from RiverPrint (PED) to Design Group	City Council, 12/4/02, Tech Change	16002	(29,245)	(29,245)
SMRLS' PED Contract	City Council, 12/11/02	126-36075	(30,000)	(30,000)
SPARLS' PED Contract	City Council, 12/11/02	126-36075	(20,000)	(20,000)
<b>Police Department</b>				
Increase revenue from parking fines and add funding for parking enforcement officers	City Council, 12/4/02	34013	82,668	82,668
Grants Received in 2002 and Carried Over Into 2003				
Value Base Initiative Grant	City Council, 11/27/02, Tech Change	34057	200,000	200,000
COPS Technology 2002 Grant	City Council, 11/27/02, Tech Change	34060	210,000	210,000
Capacity for Community Responsiveness	City Council, 11/27/02, Tech Change	34061	32,000	32,000
COPS More 2002	City Council, 11/27/02, Tech Change	34063	169,100	169,100
NIBRS Project	City Council, 11/27/02, Tech Change	34062	250,000	250,000
Mobile Crisis Team	City Council, 11/27/02, Tech Change	34303	50,000	50,000
Youth Achievers Program	City Council, 11/27/02, Tech Change	34306	50,000	50,000
Local Law Enforcement Block Grant (adjust projected level to grant amount received)	City Council, 11/27/02, Tech Change	34196	(108,467)	(108,467)
Unused Grants Funds From 2002 Carried Over Into 2003				
COPS More 1998	City Council, 11/27/02, Tech Change	34153	101,115	101,115
COPS More 1998	City Council, 11/27/02, Tech Change	34108	211,770	211,770
State Incentive Grant	City Council, 11/27/02, Tech Change	34068	80,863	80,863
Auto Theft Grants	City Council, 11/27/02, Tech Change	34160	47,795	47,795
Match for Grants (Special Investigations Activity)	City Council, 11/27/02, Tech Change	34120	175,156	175,156
Enhanced 911 Fee	City Council, 11/27/02, Tech Change	34911	16,500	16,500
Impound Lot (increase in anticipated operations due to additional space capacity acquired in 2002)	City Council, 11/27/02, Tech Change	24050	408,196	408,196
<b>Public Health</b>				
No changes to Mayor's Proposed Budget	City Council, 12/11/02			

## Council Action Adopting the City Budget (page 5)

### 2003 Budget Process

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### Council's Fiscal Changes

Special Funds

Description	Source of Recommendation	Change from Mayor's - Adopted by Council		
		Line Item	Spending	Financing
<b><u>Public Works</u></b>				
Eliminate transfer re: assessments	City Council, 12/4/02, Tech Change	42310-0557	(4,200,000)	
Establish transfer for sidewalks	City Council, 12/4/02, Tech Change	42310-0567	200,000	
Establish assess. Financing - other than Winter	City Council, 12/4/02, Tech Change	42310-6001		2,000,000
Reduce use of FB	City Council, 12/4/02, Tech Change	42310-9830		(5,827,981)
Correction to financing of Lobbyist	City Council, 12/4/02, Tech Change	42310-9925		(10,000)
Establish assessment financing - Winter	City Council, 12/4/02, Tech Change	42330-6001		4,000,000
Eliminate transfer from GF	City Council, 12/11/02	42330-7299		(4,008,486)
Reduce use of FB	City Council, 12/11/02	42330-9830		(153,533)
Correct expenditure code for tree trimming tsfr	City Council, 12/11/02	42310-0557	(1,800,000)	
Correct expenditure code for tree trimming tsfr	City Council, 12/11/02	42310-0558	1,800,000	
Recognize additional MSA revenue	City Council, 12/11/02	42310-3403		400,000
Reduce spending for alley repairs	City Council, 12/4/02	42314	(892,500)	
Reduce spending for residential street repair	City Council, 12/4/02	42313	(150,000)	
Reduce spending for arterial street repair	City Council, 12/4/02	42312	(100,000)	
Reduce spending for unimproved street repair	City Council, 12/4/02	42315	(65,000)	
Reduce spending for street repair administration	City Council, 12/4/02	42310	(50,000)	
Reduce spending for summer field operations	City Council, 12/4/02	42318	(10,000)	
Reduce spending for weed control	City Council, 12/4/02	42321	(32,500)	
Reduce bridge maintenance revenues	City Council, 12/11/02	42340		(90,000)
Delinquency assessments	City Council, 12/11/02			250,000
Fund Balance	City Council, 12/11/02			1,530,598
Assessment reduction	City Council, 12/11/02			(3,390,598)
Shift funds from Exempt Property budget for Ramsey County waste management service fee	City Council, 12/4/02, Tech Change	42322	7,191	7,191
Parking and Transit	City Council, 12/4/02	42330-6001		250,000
transfer to Police Parking Enforcement	City Council, 12/4/02		82,686	
transfer to the general fund	City Council, 12/4/02		167,314	
Shift from Mayor's Contingency to Council Contingency	City Council, 12/4/02	Various	(2,639,000)	
Shift from Mayor's Contingency to Council Contingency	City Council, 12/4/02	Various	2,639,000	
Shift from Mayor's Contingency to Council Contingency	City Council, 12/4/02	12115	(285,000)	
Shift from Mayor's Contingency to Council Contingency	City Council, 12/4/02	12115	285,000	
Shift from Mayor's Contingency to Council Contingency	City Council, 12/4/02	12190	(65,796)	
Shift from Mayor's Contingency to Council Contingency	City Council, 12/4/02	12190	65,796	
<b><u>Technology &amp; Management Services</u></b>				
Increase costs and revenues for staff	City Council, 12/4/02, Tech Change	11040	58,490	58,490
transferred from RiverPrint (PED) to Design Group				
Furnishing for James Griffin Headquarters	City Council, 12/11/02	165-31167	1,000,000	1,000,000
<b><u>All Special Fund Department Budgets</u></b>				
City Council change to reduce Retiree Insurance	City Council, 12/4/02	all activities	noted	
<b>Total, Council's Changes</b>			(53,125)	(53,125)
<b>Mayor's Proposed Special Funds Budget</b>			248,956,621	248,956,621
<b>Council's Preliminary Special Funds Budget</b>			248,903,496	248,903,496
<b>Balance Indicator</b>	<b>Current Status:</b>	<b>Balanced Budget</b>		0

## Council Action Adopting the City Budget (page 6)

### 2003 Budget Process

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### Council's Fiscal Changes

Capital Improvement Budget

Description	Source of Recommendation	Change from Mayor's - Adopted by Council			
		Log No.	Spending	Financing	Financing Source
<b><u>Financial Services</u></b>					
Revised sales tax revenue estimates of 13,100,000					
Neighborhood: Revenues	City Council, 12/4/02	CF-6600839		975,125	
Neighborhood: Interest Earnings	City Council, 12/4/02	CF-6600839		(115,625)	
Neighborhood: Loan Repayments	City Council, 12/4/02	CF-6600839		0	
Neighborhood: Non-Housing Initiatives	City Council, 12/4/02	CF-6600839	859,500		
Cultural: Revenues	City Council, 12/4/02	CF-6600839		195,025	
Cultural: Interest Earnings	City Council, 12/4/02	CF-6600839		(10,000)	
Cultural: Loan Repayments	City Council, 12/4/02	CF-6600839		0	
Cultural: Non-Housing Initiatives	City Council, 12/4/02	CF-6600839	185,025		
RiverCentre: Revenues	City Council, 12/4/02	CF-6600839		240,000	
RiverCentre: Interest Earnings	City Council, 12/4/02	CF-6600839		(10,000)	
RiverCentre: Debt Service	City Council, 12/4/02	CF-6600839	(580,150)		
RiverCentre: Repay Neighborhood Account	City Council, 12/4/02	CF-6600839	675,125		
RiverCentre: Repay Cultural Account	City Council, 12/4/02	CF-6600839	135,025		
Correct omission to reflect interest earnings in the CIB budget to be transferred to Debt Service Fund 980 as called for in the 2003 Mayor's proposed budget. Out years amount to \$750,000	City Council, 12/4/02, Tech. Change	CF-6600839	1,000,000	1,000,000	
<b><u>Planning &amp; Economic Development</u></b>					
Change Fd149's 2003 amount to \$1,500,000	City Council, 12/4/02, Tech. Change	RE-5500838	(1,376,000)	(1,376,000)	
Out years to \$2.2 million.					
<b><u>Public Works</u></b>					
Shift the Winthrop project to 2003 from 2004	City Council, 12/4/02, Tech. Change	SU-0100910	1,028,000	1,028,000	
<b>Total, Council's Changes</b>			1,926,525	1,928,525	
<b>Mayor's Proposed CIB</b>			77,842,000	77,842,000	
<b>Council's Preliminary CIB</b>			79,868,525	79,868,525	
<b>Balance Indicator</b>	<b>Current Status:</b>	<b>Balanced Budget</b>			0

## Glossary

*Activity.* An activity is a subunit of a fund. Each fund contains one or more activities, a specific and distinguishable budgetary unit of work or service. Activities are detailed levels of budget spending authority created to accomplish the approved objectives of the fund.

*Activity Manager.* Each activity manager shares in the authorities and responsibilities of the fund manager outlined below. In addition, each activity manager's responsibilities include attaining the performance objectives assigned to their activity, approving spending payments and directing the day-to-day operations of their activity.

*Activity Number.* A five (5)-digit number which uniquely identifies the activity. The first digit indicates the fund type while the second digit indicates the department.

### Fund type:

- 0 General Fund
- 1 Internal Service Funds
- 2 Enterprise Funds
- 3 Special Revenue Funds
- 4 Special Assessment Funds
- 5 Trust and Agency Funds
- 6 Permanent Improvement Revolving Funds
- 7,9 Bond Funds (includes Capital Improvement Bond Funds)
- 8 Debt Service Funds

### Department:

- 0 Administrative Units (includes: Affirmative Action, City Attorney, Citizen Service, City Council, Financial Services, Human Resources, Human Rights, Labor Relations, Licence Inspections and Environmental Protection and Mayor)
- 1 Technology and Management Services
- 2 Public Works
- 4 Police
- 5 Fire
- 6 Planning and Economic Development
- 9 General Government Accounts
- 31 Parks
- 32 Public Health
- 33 License Inspections and Environmental Protection
- 34 Libraries
- 99 Debt Service

For example, general parking and transit (36100) is a special revenue fund activity in the Department of Planning and Economic Development. Similarly, accounting bureau (02020) is a general fund activity in the Public Works Department. See *Fund Number*.

*Agency Fund.* A fund used to account for assets held by the city acting as agent for others.

*Allocation.* A portion of a lump-sum appropriation which is designated for expenditure by specific organizational units or for special purposes. See *Appropriation*.

*Appropriation.* An expenditure authorized by the city council for a specified amount, and time.

*Assessed Valuation.* The value that is established for real estate or other property by a government for use as a basis for levying property taxes.

*Bond.* A written promise to pay a specific sum of money (called the principal amount or face value) at a specified future date (called the maturity date) along with periodic interest at a specified rate.

*Budget Document.* The written record of the comprehensive financial plan the mayor presents to the city council for review, revision if deemed appropriate, and adoption.

*Capital Allocation.* Assignment of available capital (dollars) to specific uses.

*Capital Expenditure.* Actual spending of capital (dollars) for capital improvement projects.

*Capital Improvement.* The purchase or construction of durable/fixed assets. Examples include streets, bridges, parks or buildings.

*Capital Improvement Budget (C.I.B.).* A plan for capital expenditures (physical development of the City) to be incurred each year, over a fixed number of years, in order to meet capital needs arising from the long-term work program.

*Capital Outlay.* Equipment, machinery, vehicles, or furniture items included in the operating budget. See *Capital Improvement Budget*.

*Capital Projects Fund.* A fund established to account for all financial resources used for the construction or acquisition of major capital facilities, except those financed by special assessment, proprietary, or fiduciary funds.

*CIB.* Acronym for capital improvement budget.

*CTAB.* Reference for the computerized budget spending plan system.

*CTBB.* Reference for the computerized budget personnel system.

*CTFP.* Reference for the computerized budget financing plan system.

## Glossary—Continued

*Debt Service Fund.* A fund established to account for the financial resources used for the payment of long-term general obligation debt principal, interest, and related costs.

*Division.* An organizational subunit of a department in the general fund. Each department has one or more divisions, which are responsible for one or more activities.

*Encumbrances.* Legal commitment of appropriated funds (in the form of purchase orders or contracts) to purchase goods or services to be delivered or performed at a future date. They cease to be encumbrances when paid or when the actual liability is created.

*Enterprise Fund.* A fund established to account for city operations that are financed and operated in a manner similar to private business enterprises. The intent is that the costs (expenses, including depreciation) of providing goods and services on a continuing basis be financed or recovered primarily through user charges.

*Expenditures.* Total charges incurred, whether paid or unpaid, including the provision for retirement of debt not reported as a liability of the fund from which it will be retired, and capital outlays (for governmental funds and fiduciary funds, except non-expendable trust funds).

*Expenses.* Charges incurred, whether paid or unpaid, for operation, maintenance, interest, and other charges which benefit the current fiscal period (for proprietary funds and non-expendable trust funds). See *Expenditures*.

*FMS, or FM-80.* Reference to the City of Saint Paul's financial management computer system.

*F.O.R.C.E.* Acronym for focusing our resources on community empowerment. This is a unit within the Police Department dedicated to combat problems, at the neighborhood level, of street level narcotics, problem properties and disruptive behavior.

*Fiduciary Fund.* A fund established to account for assets held in a trust capacity or as an agent for others and/or other funds: included are expendable trust funds, non-expendable trust funds, and agency funds.

*Financing Plan.* Identifies sources of revenues that support the spending plan.

*Fiscal Disparities.* The Metropolitan Fiscal Disparities Act created a system of commercial and industrial tax base sharing for metropolitan area cities and towns. Each assessment district (city or town) shares 40% of its commercial/industrial assessed valuation growth with the seven county metropolitan pool. Valuation growth includes both new development and inflation on existing valuations. Each assessment district receives a portion of this assessed valuation growth pool based on a formula which uses population and fiscal capacity to determine the amount received. The general result of

this law is that cities with a healthy commercial and industrial tax base finance some of the property tax burden for those cities which have little commercial and industrial tax wealth.

*Full Time Equivalent (FTE).* A personnel position which is financed for the equivalent of 80 hours per pay period, for 26.1 pay periods (a typical year), or 2,088 hours in a year. This is roughly equivalent to 40 hours per week for 52 weeks. For example, a .5 FTE would represent 20 hours per week for 52 weeks, or 40 hours per week for 26 weeks. A 1.0 FTE is a general reference to a position normally working for a year.

*Fund.* Each individual fund is a separate accounting entity having its own assets, liabilities, revenues and expenditures or expenses. City financial resources are allocated to, and accounted for, in individual funds based on legal, donor, or administrative restrictions or requirements. The individual funds are organized by fund type. See *Fund Type*.

*Fund Balance.* An equity account reflecting the excess of accumulated assets over accumulated liabilities and reserves (monies set aside for specific purposes).

*Fund Manager.* Fund managers are accountable to and receive authority from their department director and division manager, and ultimately from the mayor, the city council, and city residents/taxpayers. Each fund manager is responsible for correctly preparing and submitting the portion of the city's financial plan that is provided by their fund. This includes a properly completed budget request consisting of performance, spending and financing plans. Fund managers are responsible for monitoring the collection of receipts, authorizing spending payments, cash flow planning, and service delivery in accordance with the adopted plan. Fund managers are also responsible for forecasting significant performance, spending or financing variances, determining their cause, creating a solution, and reporting such information to their department director and the director of the office of financial services. See *Performance Plan*, *Spending Plan*, and *Financing Plan*.

*Fund Number.* A three-digit number which uniquely identifies the fund. For example, the general fund is fund number 001, parks and recreation grant fund is 860 and the fire clothing trust fund is 736. There is no significance to the sequence of numbers. See *Activity Number*.

*Fund Type.* A classification of funds by similar purpose. The fund types are: governmental (general, special revenue, debt service, capital project, special assessment), proprietary (enterprise, internal service), and fiduciary (trust and agency funds). Although the city hall annex operating fund and the public works engineering fund are separate funds, they are the same fund type (internal service). See each fund type for its definition. Also see *Fund*.

## Glossary—Continued

*GIS.* Acronym for geographic based information systems.

*General Fund.* The fund used to account for all financial resources not specifically earmarked for other purposes. The general fund is the primary operating fund for the City of Saint Paul.

*Governmental Funds.* All funds other than fiduciary and proprietary funds. Includes the general fund, special revenue funds, capital projects funds, debt service funds, and special assessment funds. The measurement focus is on spending or financial flow rather than on net income. See *Fiduciary Funds* and *Proprietary Funds*.

*HACA.* Acronym for homestead and agricultural credit aid. See *State Aids*.

*HRPRBA, or HRMS.* Acronym for human resources, payroll, benefits administration. This acronym once referred to the development of the city's automated system for human resources, payroll, benefits administration.

*Internal Service Fund.* A fund established to account for the financing of goods or services provided by one city department to other city departments, divisions or funds on a cost-reimbursement basis.

*LGA.* Acronym for local government aid. See *State Aids*.

*LLEBG.* Acronym for local law enforcement grant, which is a federal grant program.

*MELSA.* Acronym for Metropolitan Library Service Agency.

*MSA.* Acronym for municipal state aids. See *State Aids*.

*Object Code.* A four-digit code assigned to a specific type of receipt or expenditure. A major object code is a grouping of expenditures or receipts on the basis of the types of goods or services purchased or rendered. For example, personal services, materials, supplies, and equipment are major object codes.

*Operating Budget.* The annual operating budget is the primary means by which most of the financing, acquisition, spending, and service delivery activities of a government are controlled.

*Operating Transfer In/Out.* Inter-fund transfers are legally authorized transfers between a fund receiving revenue and a fund where resources are expended.

*PED.* Acronym for planning and economic development department.

*Performance Plan.* A fund manager's estimate of the service level desired by the mayor,

city council, and residents of the city. Includes mission statement, objectives and performance indicators.

*P.I.R.* Acronym for public improvement revolving (fund).

*Proprietary Funds.* Any fund which attempts to determine net income. Measurement focus is on cost of services similar to private sector for-profit organizations. This category includes enterprise and internal service funds.

*Recoverable Expenditure.* An expenditure made for, or on behalf of, another governmental unit, fund, or department, private individual, firm, or corporation which will, subsequently, be recovered in cash or its equivalent.

*Retained Earnings.* An equity account reflecting the accumulated earnings of an enterprise or internal service fund which are not reserved for any specific purpose.

*Special Assessment.* Charges which the local government collects from property owners to pay for specific services or capital improvement projects such as streets, sewers, etc., which benefit a particular piece of real estate.

*Special Assessment Fund.* A fund established to account for the financing of public improvements or services that primarily benefit the properties against which the special assessments are levied.

*Special Revenue Fund.* A fund established to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, and capital projects) that are legally restricted to expenditures for specified functions or activities.

*Spending Plan.* Provides a unit or subunit of an organization with spending authority to pay for the resources required to effectively accomplish the performance plan.

*STAR.* Acronym for sales tax revitalization program. This is also referred to sometimes as cultural sales tax revenue.

*State Aids.* The following are the major types of intergovernmental revenues received by the City of St. Paul from the State of Minnesota:

*Local Government Aid (LGA):* Begun in 1971, this program was designed to provide indirect property tax relief through the redistribution of income tax and sales tax revenues collected at the state level to local units of government. The amount of funding received by local units of government is based on a distribution formula determined by the Minnesota State Legislature. The distribution formula addresses "need" as well as "equity". Based on this distribution formula, current state LGA appropriations are not sufficient to fully fund the program.

## Glossary—Continued

Consequently, adjustments in the amount distributed to cities and counties are made based on percent changes to past years' amounts. The 2001 State Legislature rolled the Homestead and Agricultural Credit Aid into Local Government Aid.

*Homestead and Agricultural Credit Aid (HACA).* This was a conversion of the former parcel specific Homestead Credit property tax relief program. HACA was a state funded program that provided financing to local units of government for property rate classification changes to different types of property. The program originally provided aid for the tax rate reduction on homesteaded and agricultural properties. The revised program no longer had a direct relationship with a specific parcel of land and had since been expanded to provide relief for other classes of property. The 2001 State Legislature again revised the program and rolled it into local government aid.

*Municipal State Aids (MSA).* This program is financed by motor vehicle related taxes collected at the state level. The state gasoline tax is the largest revenue source and the dollars collected are constitutionally dedicated for expenses related to MSA routes. The revenues are redistributed back to municipalities of 5,000 or more residents to be used for construction and maintenance of their MSA designated routes.

*Tax Increment District.* A tax increment district is a designated geographical area where a city is undertaking redevelopment or development activity. Any increase in assessed valuation due to new development activity is captured by the district. Property taxes levied against those captured values are used to finance the public improvement costs incurred to induce the private development activity. Public improvement costs can be financed by issuing bonds or by a pay-as-you-go plan.

*Trust Fund.* A fund established to account for the custody and administration of assets held in a trust capacity. The assets held in a trust fund must be spent or invested in accordance with the conditions of the trust. Expendable trust funds are similar to governmental funds in that the measurement focus is on spending or financial flow rather than on net income. Non-expendable trust funds are similar to proprietary funds, with the measurement focus on determination of net income. See *Agency Fund* and *Fiduciary Fund*.

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## City Of Saint Paul Budget Documents: General Description

The Mayor must propose to the City Council, by August 15 of each year, a complete financial plan for the next calendar year. After considering the Mayor's recommendations, the City Council must adopt the annual budget by December 20. The annual financial plan for the City of Saint Paul is composed of spending, financing and performance plans for three types of budgets: operating, debt service and capital improvements.

**Operating Budget:** The annual operating budget is a twelve-month financial plan that provides for the delivery of city services; support and planning for service delivery; routine maintenance; minor remodeling and repairs of existing structures; acquisition of vehicles, mobile, mechanical and office equipment; and other items having an estimated useful life of less than three years. The primary financing sources for the operating budget are property taxes, state aids, dedicated revenues, user charges, and grants.

The operating budget accounts for financial resources through various funds. The general fund, which is the largest of the city's operating funds, supports basic city services such as public safety and recreation. Other operating funds, commonly referred to as special funds, include internal service funds, enterprise funds, special assessment funds, special revenue funds and trust and agency funds, and support services that generally are financed by non-property tax revenues. For the majority of city funds, the modified accrual basis of accounting is used to budget and account for financial resources. Under this method, expenditures generally are recognized when incurred and revenues are recognized when they become both measurable and available. Internal service and enterprise funds use the accrual basis of accounting, however, where expenses are recognized when incurred and revenues are recognized when earned.

**Debt Service Budget:** The annual debt service budget provides for the payment of interest and principal on short and long term general obligation debt. It also includes reserves for a part of the following year's debt service. Primary financing sources for debt service budgets are property taxes, transfers from other funds, interest earnings, and dedicated revenues such as tax increments, special assessments to benefitted properties, and utility user fees. Debt service for revenue bonds is usually budgeted in a special fund budget.

**Capital Improvement Budget:** The annual capital improvement budget includes appropriations for all projects having an estimated useful life in excess of three years (other than the acquisition of office or mechanical equipment, or minor remodeling or repairs of existing structures). Projects are financed with general obligation or revenue bonds, aids, grants, and special revenues received by the city for capital improvements, and all monies appropriated in the general fund and special fund budgets for capital projects. The capital improvement budget does not finance vehicles or mobile equipment.

Although the capital improvement budget is adopted annually, project selection and prioritization occurs on a biennial basis. A special citizen committee reviews project proposals submitted by civic organizations, neighborhood groups and city departments, and then develops project recommendations that serve at the basis for the mayor's proposed capital budget. When the biennial budget is adopted by the City, the first year becomes law, while the second year serves as a guide for the following year's appropriations. The capital improvement budget is also part of a ten-year program developed by the city's planning commission to plan for the physical development or redevelopment of city-owned land, buildings, and other improvements, as well as to induce the private development of housing and business facilities. Budget appropriations are multi-year in nature and remain until a project is either completed or canceled.

### Budget Structure

Budgets are requested and approved at the activity level. Activities are aggregated into divisions in the general and special operating funds. Funds and divisions are then aggregated into departments or offices. Departments manage operating (general fund and special funds) budgets, debt service budgets, and capital improvement budgets. Overall management of the general operating fund is the responsibility of the director of the office of financial services.